The TWILIGHT *of* EMPIRE

SCOTT NEARING

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THE TWILIGHT OF EMPIRE

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An Economic Interpretation of Imperialist Cycles

by

SCOTT NEARING

Author of

Where is Civilization Going?

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PREFACE

It is vitally necessary to-day that the world contain a sprinkling of men and women who have studied historic processes; who are familiar with social organization; who recognize the critical nature of the period through which human society is now passing, and who are therefore prepared to take their places as social engineers in the immediate task of clearing away the débris of imperialism and in the crucial work of building the new social order.

Superficially, the modern world is a chaotic welter of economic competition, war and revolution. A little inquiry, however, will convince the student that seemingly unrelated events fit into an orderly pattern whose main outlines are traced in the following pages.

Trusts, cartels, banking syndicates, and other powerful capitalist organizations are battling for the control of world markets, trade routes, resources and investment opportunities. This struggle was bitter before 1914. Since the World War it has been broadened and intensified.

Behind the trusts, cartels, and banking syndicates, supporting them in their profit-making ventures, are the consular and diplomatic services, the departments of state, the trade departments, the armies and the navies of the British Empire, the French Empire, the Japanese Empire, the American Empire. This imperial machinery protects the lives and the property of traders and investors during peace time and defends their interests during periods of armed conflict.

Meanwhile the Mexicans, Nicaraguans, Koreans, Egyptians, Indians, Javanese, Chinese, and inhabitants of other undeveloped territory, whose land and labor are being utilized for the profit of foreign business interests, protest, organize nationalist movements, boycott, strike, and revolt.

Within the empires, the massed, exploited workers strengthen the machinery of the labor movement and reorganize it with the avowed object of wiping out the whole economic and social structure on which business for profit rests.

The text of this study will be found on pages 3 to 180. Readers who are satisfied to take statements at their face value will have completed the whole argument when they have read those pages.

Students who wish to trace statements to their sources will find, on pages 185 to 330 some of the data on which the conclusions in the text are based. Footnotes and references have been practically eliminated from the text and concentrated in this data section of the book. Since the outline about which text and data are organized is the same, the student can turn easily from the text to the corresponding data.

Material for this book has been collected from books in many libraries. Most of it, however, has been culled from standard historic and economic writings. The material itself will hardly be questioned. Its selection, its arrangement, and the conclusions drawn from it will undoubtedly lead to differences of opinion.

Many persons have helped generously in the collection and organization of this material. Their assistance is gratefully acknowledged.

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PART I

CONQUEST AND EXPLOITATION

Conquest and Exploitation

§1. Expansion of the Industrial Nations

The conquest and exploitation of Asia, Africa and the Americas by half a dozen industrial nations is one of the outstanding features of modern history. The new movement toward world domination has been rapid. In the course of half a century the conquering, exploiting industrial nations have penetrated every corner of the planet.

The penetration of Africa and Asia took place chiefly between 1880 and 1920, when, to quote James Bryce, "The great civilized nations spread themselves out so widely . . . as to have brought under their domination or control nearly all the barbarians or semi-civilized races. Europe—that is to say, the five or six races which we call the European branch of mankind—has annexed the rest of the earth, extinguishing some races, absorbing others, ruling others as subjects." [1]

Machines made possible and inevitable this rapid conquest of the non-industrial world by the industrial nations.

First: Machines led Britain, France, Belgium, Italy, Germany, the United States to abandon agriculture in favor of manufacturing, mining, transport and trade as the primary sources of livelihood. This process of industrialization created an unprecedented demand for timber, iron, coal, copper, oil, cotton, rubber and other

[1] Bryce, *Studies in History and Jurisprudence*, Vol. I, pp. 1-2.

raw products that must be secured, at least in part, outside of the industrial countries and in the tropics or semi-tropics. At the same time industrialization provided a surplus of goods and of capital, much of which must be marketed beyond the boundaries of the industrial countries. Economic necessity thus drove manufacturers, traders and bankers to all parts of the world in search of raw materials, markets, and investment opportunities.

Second: Machines provide the railroads, steamships, automobiles, airplanes, telegraphs, telephones and radios with which industrial exploiters crossed the seas and penetrated the continents, practically eliminating the chief obstacles offered by time and distance.

Third: The same machine technology which made possible industrialization, steam, gas and electric transport and electric communication provided explosives and military equipment before which pastoral and agricultural peoples were helpless.

Manufacturers, traders, and bankers employed the same general methods in Africa, in Asia and in the Americas. They occupied the territory whose products or markets they desired; seized portions of the land; built warehouses, factories, railroads, roads; utilized the forced labor of native men, women and children, often under the most appalling working conditions, and drew what profits they could from these enterprises.

Machinery provided the industrialized nations with steel-shod, seven-league boots. Industrialism, clad in these boots, speedily overran the earth. Cunningham describes the rapid extension of territorial control by the industrial nations as a "ruthless career of conquest." [2]

[2] Cunningham, *Western Civilization,* Vol. II, p. 15.

§2. THE WORLD RULERS

The expansion of the conquering, exploiting industrial nations placed the world under the political control of Britain, Germany, France, Russia, Italy, Belgium, Holland, Japan, United States. Seven European nations alone, in 1876, held 10.8 per cent of Africa, 56.8 per cent of Polynesia, 51.5 per cent of Asia. In 1900 their holdings were: Africa, 90.4 per cent; Polynesia, 98.9 per cent; Asia, 56.5 per cent. At both dates these same seven nations held 100 per cent of Australasia and 27 per cent of the Americas.[3]

Lenz tells the story differently. In 1862 seven great conquering, exploiting nations—Britain, Russia, the United States, France, Germany, Japan and Italy—held 28.4 per cent of the land area of the planet. Fifty years later, in 1912, these same seven nations held 62.3 per cent of the land area. They had more than doubled their territorial holdings within half a century.[4] The period of most rapid expansion came between 1894 and 1900.

Whatever the process, the penetration of Africa, Asia and the Americas proceeded with amazing rapidity during the closing years of the nineteenth century and the opening years of the twentieth. When the World War broke out in 1914 half a dozen of the most powerful industrial nations were, for all practical purposes, the rulers of the world.

§3. LENDERS AND BORROWERS

Politically, half a dozen industrial nations dominated the world in 1912. But underlying their political power was their economic power.

[3] Sombart, *Hoch Kapitalismus*, p. 65.
[4] Lenz, *Macht und Wirtschaft*, p. 89.

Only a small portion of the world had been industrialized. Most of the peoples and countries continued to rely upon animal husbandry and agriculture as the chief sources of livelihood. The industrial nations, equipped with the machines of peace and war, were able to seize the territory occupied by the pastoral and agricultural peoples and to exact rent, interest, and profits upon concessions, monopolies, industries, utilities, investments.

As the capitalist passed from the competitive stage through the monopoly stage and into the stage of finance or bank capitalism, the total amount of trade increased, and the volume of investments held by the industrial nations in the unindustrialized countries grew with great rapidity, until, as Lenin wrote in 1916: "The world has fallen apart into a handful of money-lending states and a vast majority of debtor states." [5]

The industrial states, because of their vast surplus, were the money-lending states. The balance of the world was in their debt. Literally there was no single territory of economic consequence in which the business men of Britain, France, Germany, Japan, the United States or some other industrial nation were not selling goods, securing raw materials or making investments.

This growth in the volume of foreign economic interests parallels the rise in the power of the business classes of the great industrial countries. The pressure of economic surplus led to the export of goods and capital. Export involved the conquest and exploitation of foreign goods and peoples. Thus economic expansion

[5] Lenin, *Imperialism*, p. 83.

and political conquest marched shoulder to shoulder across the continents.

§4. WAR AND COLONIAL REVOLTS

The conquest and exploitation of the non-industrial world by the industrialized nations involved war and revolution. The conquering, exploiting nations, penetrating Africa or Asia, were often met by the determined opposition of the natives—Abyssinians, Moroccans, Syrians, Afghans. Wars of conquest followed. After the natives had been subdued, they frequently revolted—Cubans, Filipinos, Hindus. When the foundations of a capitalist order had been laid in one of the colonies, the native business class organized a nationalist movement, backed by the exploited workers and the dispossessed, landless farm workers, which aimed at the independence of the colony. Nationalist revolution followed—in Egypt, Persia, Mexico, China. Finally, the conquering, exploiting nations fell out among themselves, and in one instance after another—the Crimean War; the Franco-Prussian War; the Spanish-American War; the Russo-Japanese War; the World War of 1914—they fought to determine which should have the chance to conquer and exploit in a particular territory.

The last half of the nineteenth century and the opening years of the twentieth century were marked by a succession of wars and revolutionary movements, leading up to the period of the War of 1914. From 1910 to 1925 the Balkan Wars, the War of 1914, and the Greco-Turk War involved every important industrial nation except Holland. During the same period there were a score of revolutionary movements including the epoch-making revolutions in Russia, Mexico and China.

Conquest, exploitation, war and revolution have played a leading historic rôle since the middle of the nineteenth century. During the past thirty years they have occupied the center of the stage.

§5. EARLY CONQUEST AND EXPLOITATION

Conquest, exploitation, war and colonial revolt have not been confined to the past fifty years. On the contrary, such events fill the pages of recorded history.

The story of Egypt is the story of conquest and exploitation. One of the greatest Egyptian conquerors, Thutmose III, organized his first expedition of conquest into Syria in 1479 B.C. Within the next thirty years he led at least fifteen Asiatic expeditions. First he conquered the coast cities and compelled them to supply his army with provisions. Then he marched inland, conquering and subjugating. When Thutmose concluded his wars in Asia he had greatly extended the boundaries of the Egyptian Empire and had organized an efficient military machine.

Thutmose extended the boundaries of the Egyptian Empire in Africa as well as in Asia. On one expedition he conquered 115 "places" in Nubia; on another expedition over 400 "places." [6]

Similar eras of conquest occurred repeatedly in Egypt, which was only one of the great conquering empires of antiquity. The Chaldean and Assyrian Empires were built by conquest. So were the Persian and Macedonian Empires. The history of antiquity is replete with instances of conquest, plunder and exploitation.

Economic returns from expeditions of conquest took

[6] Breasted, *Cambridge Ancient History*, Vol. II, pp. 85-6.

two chief forms: first, the booty that was secured through the expedition; second, the tribute that was subsequently paid by the conquered to the conquerors.

Thutmose III brought back to Egypt as booty ivory, ebony, panther skins, gold, copper, cedar, myrrh, cattle, slaves. On one occasion his treasurer was able to weigh out 8,943 pounds of gold-silver alloy.[7] A few years later, Amenhotep II returned from an expedition into Syria with many slaves, horses, chariots, over 1,600 pounds of gold and nearly fifty tons of copper.[8]

Much wealth, in these early times, was in portable form. The conqueror carried away what he could as one of the rewards of victory.

Conquerors did not stop with the seizure of booty. Very early they began the practice of requiring the conquered to pay regular tribute. Thutmose III compelled his vassals in Asia to prepare for his expeditions a store of provisions and military supplies.[9] Seti I of Egypt invaded Syria in 1314 B.C. After he had won several victories the kings of Lebanon offered their allegiance. "Seti immediately put them to the test by requiring a liberal contribution of cedar logs." [10] Under Darius the Great, 521-485 B.C., the Persian Empire was so organized that each subject nation or province paid a stated annual tribute which was locally collected in the form of taxes or assessments on the land.[11] The territory that had been conquered and that was paying tribute to the Great King was as wide as the United States from New York to San Francisco.

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[7] Breasted, *Cambridge Ancient History*, Vol. II, p. 80.
[8] *Ibid.*, p. 90.
[9] *Ibid.*, p. 84.
[10] *Ibid.*, p. 136.
[11] Breasted, *Ancient Times*, p. 186.

The system of tribute-collecting and tax-gathering reached its height under the Roman Empire. The entire Mediterranean Basin sent a part of its annual product to Rome, either as direct tribute to the state, as fortunes squeezed by Roman governors out of the provincials, or as profits gathered in by Roman business men and investors.

The weapon of conquest was the army (navy). Tribute was levied and collected only so long as the military machine of the conqueror was powerful enough to compel obedience. The first sign of weakness on the part of the conquerors was an invitation for revolt among the subject peoples.

There is no need to go so far afield for instances of conquest and exploitation. The years that followed the voyages and discoveries of the fifteenth century saw the Portuguese, the Spanish, the Dutch and the British conquering and exploiting the Americas, India, the East Indies and various points on the coast of Africa. The story of the Spanish conquerors, plundering, murdering and enslaving in Mexico and Peru; of the British semi-official privateers (pirates), robbing the Spanish galleons of their stolen bullion on the high seas; of the recurring wars between the British, Spanish, Dutch, French and other empires; of the ultimate revolt of both Mexico and Peru against Spain and of the North American colonies against Britain is the story of conquest, exploitation, war and colonial revolt that runs back as far as recorded history.

§6. "EMPIRE," "IMPERIAL," "IMPERIALISM"

What is the meaning of these ancient and modern periods of conquest and exploitation? How can they be explained? How related?

"Empire," "imperial" and "imperialism" are words that have been used by historians to describe conquest and exploitation, both ancient and modern.

The "empire" was the area dominated and exploited by the ruling class of one political unit—city, state or nation.

"Imperial" referred to the policy of the conquering city or nation, and to the position of superiority held by the conquerors over the conquered.

"Imperialism" is a new word. Before the War of 1914 most standard encyclopedias and standard works on economics did not include it. Its use was largely confined to the radical movement.

J. A. Hobson, the English economist, was a pioneer both in the use and in the description of the term "imperialism." He published a book with the title *Imperialism* in 1902. Lenin, in 1916, described this book as "the chief English work on imperialism."

Since the War of 1914 imperialism has come in for a great deal of attention. Radicals and revolutionaries have used the term constantly. To-day newspapers and magazines print articles on imperialism and college professors publish books dealing with the subject.

§7. IMPERIALISM IN HISTORY

Historians have long dealt with emperors, empires and imperial policy. For the most part they have confined themselves to a personal or a political interpretation of imperial events.

History has been written in terms of great personalities,—Darius, Alexander, Caesar, Charlemagne, Ghengis Khan, Napoleon; in terms of ruling families,—Gwelphs, Hapsburgs, Romanoffs; in terms of ruling

classes,—courts, aristocracies, nobles; in terms of dynasties, wars, political intrigues. This is particularly true of the ancient records. They relate almost entirely to the doings of kings, generals, emperors and other great folk. Until recently, classical history and contemporary European history were written in much the same way.

Such a method of writing limited history to a description of the ruling classes. The lives of the masses were unrecorded. The movement of social forces was ignored. History was written as though it were the lengthened shadow of a few great men.

When imperialism is approached from this angle, it is a crime, a mistake, the result of a personal whim or of a will to power. Emile Boutmy calls it a "psychological state." James Bryce thought of it as a wonderful system erected by Julius Caesar and Augustus Caesar "upon the ruins of the Republican Constitution of Rome."

Most writers describe imperialism in such personal terms. For them the crucial event in imperial history is the arrival of a great personality.

§8. ECONOMIC INTERPRETATION

Economic interpretation, applied to history, has subjected conquest and exploitation to scientific analysis. Imperialism is regarded by the scientific student of history not as the result of personal prowess or of the policy followed by a ruling house, but as a stage or phase of the social process.

Karl Marx is primarily responsible for this innovation in the approach to historic problems. At the same time that Charles Darwin was making his investigations into the biologic process and discovering that forms of

life were sequentially related, Karl Marx was making his investigations of the historic process and discovering that economic and social stages (the core of historic events) were likewise sequentially related. *The Origin of Species* appeared in 1859. *Das Kapital* was published in 1867. As early as 1848, however, in the *Communist Manifesto,* Marx had described history as a record of class struggles.

Historic changes, according to Marx, resulted from changes in the forms of production. The logical divisions of history were not, therefore, the reigns of kings or the conquests of emperors, but the discoveries and inventions that led to new productive forms.

Some years later, in 1887, L. H. Morgan, in *Ancient Society,* published the results of a detailed investigation into the lives of the North American Indians and of the Roman clans. This material of Morgan's is reviewed and brought further up to date by Engels in his *Origin of the Family.*

Morgan divided the history of mankind into three main periods: savagery, barbarism and civilization. In marking the changes from one of these social stages to the next, Morgan ignored political events and concentrated attention upon economic and social developments: the discovery of fire; the making of pottery; construction of boats; work with metals; the invention of machines.

Here was a new way of looking at history. Other writers had recognized the possibility of such an interpretation, but it remained for Marx and his co-workers to abandon the political approach and to substitute the economic approach in the study of historic events.

History, in the hands of these writers, became a record of economic activity and of social development.

It was no longer the outcome of caprice or of individual prowess, but a story of class and mass struggles for livelihood, written through the cultural epochs.

History was thus a science with laws or principles like the laws or principles of any other science. Since like results followed from like causes, the student who could understand the causes and who knew the principles involved, should be able to predict the results.

Marx spent the greater part of his life in the elaboration of this theory. He made extensive studies of economic and social forces, and was able, as a result, to predict historic events with accuracy.

Lenin and his co-workers, using the same method, guided the Russian Revolution of 1917 to success in the face of obstacles that seemed to predetermine failure.

Political history had consisted of little more than a photographic description of one narrow range of events. The Marxians, in addition to a description of the past, gave an analysis and a synthesis. Thus they provided a basis for action that could not exist under older historic methods. The Marxians were able to foresee, to predict, to utilize, to prevent, to accelerate the historic processes.

Within the past few years this method of historic analysis has been widely applied. Many investigations of economic and social forces have been made. The events of ancient, medieval and modern history have been studied from this point of view, and an immense amount of information brought to light. Books like Breasted's *Ancient Times,* Glotz's *Ancient Greece at Work,* Rostovtzev's *Social and Economic History of the Roman Empire,* and Boissonnade's *Life and Work in Medieval Europe* contain extensive records of economic and social activities. Recently an American publisher

has begun the publication of a history of civilization of which more than fifty volumes have already appeared. They are economic and social, not political, histories.

The publication of this material makes it possible to approach imperialism as an integral part of the social process,—as a phase of that period of social history which is called civilization. Approached from this angle, imperialism is not a psychological state, not a crime, not an accident. It is a stage in history.

Lenin had this method and this material in mind when he described imperialism as "a particular phase of capitalist development." [12] Imperialism is that phase of capitalism in which "the domination of monopolies and finance capital has established itself; in which the export of capital has acquired very great importance; in which the division of the world among the big international trusts has begun; in which the partition of all the territories of the earth among the great capitalist powers has been completed." [13]

Fourteen years earlier Hobson had described imperialism as "the use of the machinery of government by private interests, mainly capitalist, to secure for them economic gains outside their country." [14] Hobson stressed the economic aspect of imperialism. Lenin added the development aspect—placing imperialism in its historic setting.

§9. AN ECONOMIC STUDY

The present study follows the Marxian method. It proceeds on the assumption that history is a record of social development (evolution); that the chief stages in

[12] Lenin, *Imperialism*, p. 73.
[13] *Ibid.*, p. 72.
[14] Hobson, *Imperialism*, p. 100.

this development have been marked by changes in the ways of making a living; that the major historic conflicts have been waged between groups (classes) seeking economic and political power through the control of the means of livelihood; and that imperialism is one stage of this struggle for economic and political power.

What stage?

Imperialism is the stage of economic and political development during which a ruling class conquers and exploits beyond the boundaries of the civil state.

Private owners of productive tools (capitalists) exploit the tool-users (workers) through their control of the raw materials, the job and the product. A political machine (the state) controlled by the tool-owners legalizes profiteering, poverty and riches, social inequality and oppression, and perpetuates this social system by the use of the police.

The tool-owning class justifies this system of policemanized exploitation through propaganda: publicity (the press); education (the school); moral sanction (the church). Press, school and church are directed by the tool-owners for the advancement of their economic and political interests.

Exploitation is the method by which tool-owners secure control of the economic surplus,—the key to ruling class power. The aim of ruling class publicity is therefore the creation of a large, mobile economic surplus, its concentration in a few hands, and its investment where it will yield a maximum of exploitive power (profit).

The system of capitalist exploitation changes constantly. Early in the nineteenth century it was localized in small, competitive units. Economic surplus was not extensive, and was locally consumed. Then came

the monopoly stage of capitalism during which the control of industries was concentrated in trusts and cartels. The economic surplus was very much larger during this stage and was used for the extension of trust power. The stage of finance capitalism, during which economic surplus is too great to be profitably invested within the home territory, involved the extensive export of capital. This is, of necessity, a stage of foreign conquest and exploitation.

Since about 1870, world capitalism has been in this imperialist stage. Within each of the principal rival capitalist empires the exploiting, ruling class has striven to gain control of needed raw materials, to dominate world markets, and to make profitable, world-wide investments.

The system of exploitation has passed beyond the boundaries of the home country. Capitalism has become imperialism.

Imperialism is therefore a method of exploitation, that is, a method of securing economic surplus or unearned income. It concerns exploitation of territory and of peoples lying outside the political boundaries of the civil state within which the exploiters operate. Briefly, therefore, imperialism might be described as a phase of social development during which a ruling class is engaged in foreign exploitation.

PART II

IMPERIAL CYCLES

Imperial Cycles

§10. civilization

Ruling classes have been conquering and exploiting since the dawn of written history. Imperialism, in other words, has been characteristic of the whole era of civilization.

Civilization is a term used to describe the period of social history during which society has been organized in units of the civil state.

The predecessor of civilization—barbarism—was the organization of society in gentilic units,—tribes or clans. Barbarians lived together because they were the descendants of common ancestors. Under civilization, men came together because they wished to engage in some contractual or business relationship. Civilization is the era of social history that resulted from the replacement of gentilic relations by civil relations. Civilization is the era of the civil state.

Social units in gentilic society were the tribe and the clan. Later they were the family and the village. In many respects the life of these units was communal. Land was frequently held in common, as were other forms of property such as domestic animals, boats, weapons and surplus food. Hunting, fishing and the care of flocks and herds were frequently communal enterprises in gentilic society.

Civilization was based on contract. During the period of civilization land and other forms of property were privately held. Communal ownership gave place to personal or private ownership.

This principle of private property in hunting and fishing rights, in domestic animals, in land and in productive tools, upon which the general welfare depends, is one of the most distinctive features of civilization. Barbarians lacked such concepts or had developed them only in rudimentary forms. The extension of the principle of private property to include production goods marks off the era of civilization from that of barbarism.

Contractual relations are a phase of private property relations. If property is to pass freely from one individual to another, there must be some accepted means by which the transaction takes place. That means, as developed during civilization, is the contract or agreement made between an actual owner and a prospective owner concerning the disposition of property.

The civil state protects private property and assists in the enforcement of contracts. These are the activities out of which the civil state took its form, and these are the functions that distinguished civilization from barbarism.

Civilization—the era of the civil state—may therefore be further defined as the era during which private property in land and other social productive goods is established and maintained through the public (state) enforcement of contracts.

§11. CIVILIZATION AND CLASS EXPLOITATION

Private ownership of land, domestic animals and other forms of production goods carried with it the power to exploit. As the civil state guaranteed private property and contracts, exploitation was correspondingly facilitated.

The owner of land was in a position to say to the

landless, hungry worker: "If you want to earn a living, here is land. Work. But from the product of your labor a portion must come to me, in service, in kind or in money. That is the rent due me because I own the land."

Workers could not make a living unless they were able to use land or some other form of productive goods. Private owners held a monopoly of such goods. The civil state enforced this monopoly with the police and the army. The workers had no choice. If they did not wish to starve, they had to use the land and pay the rent.

During the machine era of civilization the same relation was established between the machine-owner and the machineless worker that had formerly existed between the land-owner and the landless worker. The worker had no choice but to accept the job which the job-owner offered him; and in return to provide the job-owner with a rent (profit) which the latter was able to exact.

Civilization is, therefore, a period in social history during which the owning class is able to take a part of the product from the working class. It is a period of class exploitation during which the economic advantage derived from the ownership of land and other productive tools, backed by the power of the civil state, solidifies the owners in defense of their privileges and creates a basic economic and social division between those who own for a living and those who work for a living.

This class relationship, the normal and inevitable result of the private ownership of productive tools, whether in the form of slavery, or landlordism or wagery, has existed through the whole period of civilization. It has produced a form of society in which

one group or class is able, through the monopoly power of its ownership and through its control of the state machinery, to live without labor upon the economic surplus produced by the working class.

The organization of the civil state and the safeguarding of private property in production goods (civilization) have thus involved, as a necessary social result, the division of society into classes and the exploitation of the working class by the owning class.

§12. FOREIGN EXPLOITATION

When barbarians were victorious over their neighbors, they plundered and exterminated them. They had no permanent living place until the later period of barbarism. Like all nomads, their property could not exceed, in bulk, the amount they could carry with them when they were forced to move.

Slaves, beyond a very small minimum, were a liability. If the victors did not kill the vanquished, how should they dispose of them?

With the beginning of agriculture as an important source of livelihood, and particularly with the establishment of trade and the foundation of permanent trading centres, peoples gave up nomadism; settled in permanent places; began the acquisition of large quantities of economic goods; found profit in large-scale slave labor. At this point, instead of exterminating their rivals, after the custom of barbarians, civilized peoples spared their lives and put them to work. For extermination, civilization substituted slavery, which is the earliest form of mass exploitation.

The transition from barbarism to civilization was marked by these characteristics: private ownership of productive tools and of slaves; exploitation at home of

the slaves and other workers; exploitation abroad of conquered territories with their peoples.

The owning class at home, because of its superior economic position, became as a matter of course the exploiting class both at home and abroad. The owning class needed slaves to perform its labor, raw materials for its industries, markets for its commodities, and a strong military force to protect its interests. These have been the outstanding characteristics of imperial states for more than five thousand years. They are, at the same time, the outstanding characteristics of civilization.

§13. THE STAGES OF IMPERIALISM

Foreign conquest and exploitation (imperialism) have been among the leading activities of all civilized peoples. During this historic period, victorious ruling classes have exploited foreign territories and alien peoples for profit. The method of exploitation has varied. The principle of exploitation and the resulting class struggles, wars and colonial revolts have remained constant.

At the outset, imperialism meant military conquest and subjugation. Movable property such as gold, weapons, clothing, horses, sheep and cattle were carried off by the victorious army. Men were slaughtered. Women and children were enslaved.

At a later stage in the history of imperialism only the luxuries—the property of the ruling class—were seized by the conquerors. The workers, their homes, villages and cities, were spared. The conquered territory was organized economically and politically, regular tribute was levied upon it or taxes collected from it, and thus the conquerors laid the basis for a permanent

source of unearned income through the exploitation of conquered territory.

Colonization followed as a form of imperial exploitation. The conquered territory was left almost intact under the direction of local princes or governors who obligated themselves to send regular tribute to the conquering state. Frequently groups of citizens from the conquering state were settled in the conquered territory, to insure the fulfilment of the obligation.

The working masses in the conquered state thus continued under the control of their native exploiters. The exploiting class of the conquered state shared the proceeds of their exploitation with the exploiting class of the conquering state.

Under the earlier empires, but particularly since the introduction of the capitalist system, following the industrial revolution, foreign trade and foreign investments replace military conquest as the chief means of foreign exploitation. The imperial army and navy are used when necessary, but the bulk of exploitation is carried on by a system of bookkeeping that drains the economic surplus of the conquered territory into the treasuries of the exploiters. A portion of this surplus is retained by the provincial exploiters. Another portion goes to the exploiters at the imperial centre.

Provincial and imperial exploiters together build up an organization that will yield a profit to the local business man who is actually conducting affairs, and that will at the same time yield to the imperial business man an adequate return on his investments in colonial enterprises.

At this stage economic penetration has replaced military conquest as the primary factor in foreign exploitation. Tribute and taxes give way to interest and

dividends and the system of colonialism yields to the ownership of resources, utilities, industries and other forms of productive goods. This is, of course, the modern form of financial imperialism.

The methods of imperialism have varied. Underlying them all, however, is the same basic principle: the payment of economic surplus (unearned income) to an owning class in a foreign country. Or, from the other side, the collection of economic surplus from an exploited class in a foreign country.

§14. THE DIFFUSION OF IMPERIALISM

Empires have been numerous and widely spread geographically. Their records go back to the dawn of history. When the human race first emerged six or seven thousand years ago, to write its story on clay and stone, there were organized, functioning empires.

Much has been written about the empires of the past two thousand years. They are best known, because they are the most recent. But Rome was neither the largest nor the longest lived of the empires. "China manifests the most massive and persistent cohesion in human annals. Saracens and Mongols constructed empires with a celerity far greater than the Romans, even if their work was not so long-lived. All kinds of races, indeed, have shown themselves capable of empire building in greater or less degree—dark-brown Egyptians, obscure Hittites, bragging Assyrians, volatile Greeks, stern Romans, pliable Hindus, stodgy Chinese, adventurous Malays, and still more daring Arabs, Negroes even, in the heart of Africa." [15]

This wide diffusion of empire building corresponds with the contention that imperialism is a phase of the

[15] Cowan, *Master-Clues in World History*, p. 81.

exploitative process. Irrespective of race or color, when human societies have reached the stage of social development called civilization, the forces of imperialism have shown themselves. This could hardly be otherwise, since imperialism is a phase of civilization.

Most of the great empires have been built in and around the basin of the Mediterranean. But the existence of empires in the Far East, in Northern Europe, in the Americas and in Africa shows that no portion of the world has a monopoly of imperialism any more than one portion of the globe or of the human race has a monopoly of civilization.

As commerce, the merchant class and business relations have won a position at the centre of social life, imperialism has grown. Varying in form and widely distributed geographically, it has remained, in principle, a series of property relations under which the owning class in one country, with the assistance of the governmental machinery, has been able to exploit foreign territories and peoples.

Despite the differences of detail, there has been a common pattern running through the cycles of imperialism. Empires and imperial epochs have demonstrated this pattern time after time.

§15. REPETITION OF THE IMPERIAL PATTERN

Imperialism has not only existed throughout civilization as a part of its organic structure, but its development has followed a pattern.

Historians and philosophers have commented on the rhythmic rise and fall of empires, comparing the birth, development and death of imperial organizations with the birth, development and death of human beings. Particular attention has been devoted to the Roman Em-

pire, which is nearest to the present age in historic records.

Most studies have centred attention on the political or moral phases of imperial decay. Much less has been written about the economic and social phases of the imperial process.

Recent historians, with their emphasis on the economic and social factors in history, have painted a different picture. Glotz, for example, summarizes the imperial process in Greece:

"I. The Hellenes, having brought to the shores of the Aegean patriarchal and pastoral institutions, pass during the centuries described in the Homeric poems to households and agricultural economy, and then to city and commercial economy, and begin to visit distant lands.

"II. The predominance of money economy in archaic Greece leads to the triumph of individualism in the most varied forms. While poetry becomes personal, the class of craftsmen and traders sets itself against the landed aristocracy, the great ports vie for supremacy, and colonization distributes the Greek race all round the Mediterranean.

"III. In the great years of the Fifth and Fourth centuries, . . . Athens places herself at the head of Greece. Since she needs a sea empire to maintain her democracy, she makes the Peiraeus the centre which receives the natural products of the whole world and sends out manufactured goods in every direction. . . .

"IV. When the framework of the city breaks down, when the whole East is opened to Hellenism and Egypt records the effects of this revolution on the papyri, the monetary system penetrates into new regions, the division of labor develops unceasingly, and a network of interests is created between country and country. It is the first rough outline of a world market." [16]

[16] Glotz, *Ancient Greece at Work*, pp. 4-5.

Glotz pictures only a part of the imperial pattern, and pictures it rather imperfectly. The Egyptian, the Cretan, and the Phoenician "world markets" preceded that of the Greeks. Still Glotz is stating the general trend of the imperial pattern, and tracing the pattern to its sources in the successive forms of Greek economy.

Other social historians have made similar surveys of other areas. Müller-Lyer, for example, in his *History of Social Development* (p. 177) summarizes an extended survey of Germanic culture in similar developmental stages.

These social analyses, supplemented by a study of economic history, reveal an imperial pattern which may be briefly summarized as follows:

The Imperial Pattern

I. Establishing the nucleus or homeland of imperial power.

1. Beginnings in pastoral tribes or agricultural villages.
2. Unification of tribes or villages about some common social or economic advantage.
3. The growth of trade. The shift from agriculture to business as the most important source of livelihood.
4. The rise of a trading or business class whose interests are at variance with those of the landed class. A struggle between the two classes. The business class, through its larger control of economic surplus, wins.
5. New class lines form. Exploitation is intensified. Exploited slaves, peasants and artisans revolt.
6. The business class rounds out a working base for exploitation at home, and for expansion. This is the homeland or nucleus of imperial organization.

II. Expansion.

1. The interests of the business class lie outside—across the sea, mountains, or desert—where it goes in search of wares or of markets.
2. Pursuing these interests, the business class conquers, subjugates, colonizes, exploits, laying the basis for colonial revolt.
3. Unrest grows in the colonies. Colonial business men unite with exploited workers in revolts against exploitation by foreigners.
4. An imperial unit is rounded out, consisting of a homeland—nucleus for exploitation—and of foreign, conquered, exploitable areas.

III. The conflict for survival with other conquering, exploiting groups.

1. Other groups of exploiters are also conquering and exploiting in order to extend their opportunity for profit-making.
2. Rivalry on the economic field leads, as a matter of course, to wars.
3. In the course of these wars, the defeated empires are dismembered, or else they are annexed by the victors and forced to pay tribute.
4. The victor builds up and maintains a large military organization.
5. Eventually, in the course of this struggle, one of the rival empires comes out on top and establishes its position as the supreme world empire.

IV. Imperial world supremacy.

1. The business class of the victorious empire makes the world safe for profit. Law and order are imposed; roads are built or improved; the land and sea are policed; commerce is encouraged and protected; long-term contracts are lived up to; rents are paid;

money is loaned and collected; risks and interest rates are reduced.

2. Great amounts of wealth are concentrated in the imperial centre and in the hands of the imperial ruling class.
3. The world is divided into a tribute-collecting centre and a tribute-paying circumference.

V. Disintegration and dissolution.

1. Population is concentrated in cities, which must import food and raw materials, must manufacture and sell their products, or else must live on plunder and tribute from conquered territory. City construction and maintenance are a heavy charge on imperial income.
2. Imperial overhead expense constantly grows. A parasitic class develops; the military machine is augmented; a bureaucracy is built up. These rising overhead costs result in a mounting imperial deficit which must be met by further conquests or additional taxes.
3. There are dissensions in the ruling class. Civil wars are fought. The exploited workers and the landless farmers at the imperial centre rebel. Ambitious generals use the army for political advancement.
4. Foreign wars occur. Additional territory is conquered. New rivals threaten the world empire. Migrating hordes hurl themselves against the imperial boundaries.
5. Colonies revolt. Colonial exploitation is intensified to meet growing imperial deficits and to satisfy the wealth hunger of the imperial ruling class. Local centres of economic power develop in the colonies and demand a place in the sun.
6. Imperial decay sets in. Taxes become excessive. Trade decreases. Economic life stagnates. Agriculture declines. The cities are depopulated. Banditry and piracy develop. Centralized production and ex-

change recede. Credit is restricted. Interest rates rise. Local barter economy springs up. Local, autonomous political units are organized and armed.

This, in outline, is the imperial pattern as economic and social history reveals it. The pattern has been repeated again and again in the course of the last four or five thousand years.

§16. EVOLUTION OF THE IMPERIAL PATTERN

The main outline of the imperial pattern is constant. Details change. Since the same social forces are at work, major events follow a general sequence, but with the evolution of the productive forms, the environmental or historic conditions in which the social forces operate vary from one epoch to the next. Hence the modifications in the details of the imperial pattern.

The imperial pattern is the pattern of conquest and exploitation. As the means for conquest and exploitation become more adequate, and as the profits from conquest and exploitation become larger, imperialism plays a more and more important part in the determination of social policy.

Conquest and exploitation begin as military aggression, plunder, destruction. Tribute is imposed and collected. The military machine of the conquering, exploiting class dominates the relations between victor and vanquished.

In the next stage of development, the conquering, exploiting class relies upon economic organization and control. It takes possession of lands, mines, harbors; enslaves the conquered populations; establishes systems of tax payment. The territory, conquered by the soldier, is exploited by the civil official, who calls upon the soldier only in time of crisis.

Finally, trade, manufacture, finance, public utilities and other business forms dominate. Conquest is "by railroad and bank." The army and navy of the exploiting nation appear only occasionally. The exploited territories police and administer their own affairs. Exploiters ask only two things: that the exploited keep order, and that they produce the goods required for the payment of interest and dividends on the investment.

At this stage—the stage of financial imperialism—the process of conquest and exploitation has become largely economic; the volume of profits is enormous; the imperial pattern stands out in unmistakable form. This is notably true of the past fifty years.

§17. IMPERIAL EXPERIENCE

The imperial pattern may be traced through several of the imperial epochs for which there is adequate historic evidence. It was evident enough in the last great imperial cycle, centering about the Roman Empire. Greek imperialism was a secondary phase of the same imperial cycle.

The same imperial forces were at work in Egypt. The details are not so numerous nor so clear as they are in Roman-Greek history, but in the hands of historians like J. H. Breasted the imperial pattern of Egypt appears to follow closely the imperial pattern of Rome. There is, however, this difference. Egypt was a fertile river valley, inhabited by civilized peoples at least as far back as 3000 B.C. During the years between 3000 B.C. and 1000 B.C. Breasted traces three distinct imperial cycles: one, the Pyramid Age, from 3000 to 2500 B.C.; a second, the Feudal Period, from 2500 to 1500 B.C.; and a third, the Empire, from 1500 B.C.

The Fertile Crescent provided a base for empire

building. Through at least two thousand years, in the valleys of the Tigris and Euphrates and in the region lying to the West, Chaldeans, Assyrians, Babylonians and Persians built immense empires. At least during the seventh, sixth and fifth centuries B.C. an imperial pattern that was in many respects quite like that of Egypt seems to have been traced in this region.

The same imperial cycle may have occurred in India, in China, in Central America, and even in Africa. Thus far the story in these regions remains obscure. But enough has been discovered to show, even in Central America, the existence of a highly organized system of imperial exploitation.

Historic material, already gathered from the records of Rome, Greece, Assyria-Babylonia, and Egypt, together with the records of the past thousand years in western Europe is ample to provide a picture of the imperial process. From these records it is possible to reconstruct, at least in outline, the pattern that has been followed by one great empire after another during at least five thousand years.

Exceptions may be found to the general line of imperial experience. China will immediately occur to the mind of the student as the most prominent. Whether or not China is an exception, remains to be decided. In the meantime, there are sufficient positive instances to warrant some general deductions concerning the character of the imperial pattern.

§18. GENERALIZING IMPERIAL EXPERIENCE

Historic experience with conquest and exploitation may be generalized, like any other body of data, into principles or laws which seem to govern the sequence of the imperial cycle. Since comparatively little work

has been done in this field, and since the amount of data available is still very limited, it would, perhaps, be wiser to describe the generalization as an imperial pattern hypothesis.

In any case, as new facts come to light, and as new syntheses are evolved, it becomes more and more possible to trace the sequence of events that makes up the imperial pattern, and thus to predict, at any stage of the imperial process, the succeeding stages of the same imperial cycle. Without any pretense of finality, it may be fairly asserted that ancient and modern imperial experience dovetails closely in the main outlines.

The next section of this study will be devoted to a summary of imperial experience in ancient and in classic times, with a view to establishing the character and the sequence of events in the earlier imperial cycles. The following section will deal with imperial experience from the time of the Crusades, through the era of the commercial empires down to the present period of financial imperialism, and will indicate the present trend in the imperial process.

§19. THE NUCLEUS OF IMPERIAL POWER

Imperial cycles consist of a regular sequence of events which may be grouped in five main divisions: (1) establishing the nucleus of imperial power; (2) expansion; (3) survival struggle among the empires; (4) supremacy of one empire; (5) dissolution of the imperial organization. Frequently these stages are of considerable duration, running into centuries. In several of the most fully recorded imperial cycles they have followed one another in approximately the same order.

What is a nucleus of imperial power?

It is the central economic and political unit from which the ruling class conquers and exploits.

The imperial nucleus has usually corresponded with some well-defined geographic area such as a river valley, an island, a peninsula. At different historic stages different kinds of geographic areas have served as bases for the organization of imperial nuclei.

§20. BEGINNINGS ON THE LAND

Each successive group of empire-builders has begun its career on the land,—as herdsmen or as cultivators of the soil.

Imperialism is a phase of civilization. Empire building therefore begins, as civilization begins, at that point in culture history where pastoral tribesmen or agricultural villagers develop trade and thus lay the foundations of the civil state. The imperial pattern begins when groups of people pass from barbarism into civilization.

The best known of the older empires trace their origin to the land. Egyptians were herdsmen and farmers. The founders of the Persian Empire were nomads. Greek and Roman history dawns upon isolated tribal and clan groups tending their flocks and herds and cultivating the soil.

Imperial backgrounds have been the same throughout civilization. Imperialists have begun life as tribesmen or villagers.

§21. UNIFICATION OF LOCAL GROUPS

A tribe or a village cannot be the nucleus of an empire. It is too small, too local, too isolated, too weak to engage in large-scale conquest and exploitation. Tribes and villages are the units of a scattered, barbaric

society. Civilization and imperialism involve organization.

Tribes and villages are welded together into a working unit that can trade, conquer, exploit. The nucleus or working base of an empire is built up by this welding process.

The unification of local groups results from a number of economic and social forces, an advantage in resources or in trade facilities, a defense advantage, an effective military organization, a culture lead, based on some change in the methods of production, the activity of an outstanding personality. Most of these forces can be traced in the early stages through which all of the leading empires have passed.

Imperial nuclei are always organized about some outstanding economic advantage, such as a rich river valley, a source of mineral or other natural wealth, a position at the mouth of a river, at the junction of two rivers, or in some other strategic relation to trade routes. The valley of the Nile; the Fertile Crescent (Tigris-Euphrates area); the plains of Latium; the mineral deposits of Sinai, of Nubia, of Laurium, of Spain, of Britain all provided the foundations for imperial advancement. It was at such points of economic advantage that the shift began from agricultural village economy to trade economy. It was in such centres of potential trading (business-class) power that the foundations of all of the earlier empires were laid.

Similar economic advantages were enjoyed in the field of commerce. They likewise resulted in the growth of trading cities. Knossus occupied such a position. So did Corinth, which was, at one time, the richest and most populous of all Greek cities. Alexandria was once

the focal point of world trade. Rome was the London of its day.

Brooks Adams, in *The New Empire*, ascribes the growth of imperial power chiefly to the control of trade routes and minerals. History makes it evident enough that an adequate food supply, mineral wealth and trade opportunity were forces operating to the advantage of all successful empires.

Defense advantage is another factor of great importance. River valleys, minerals, timber, food reserves and trade centres have not necessarily produced imperial greatness. On the contrary, where such economic advantages have existed, unprotected, on open, accessible plains, nomadic tribes have swept across them, time after time, slaughtering the population, carrying off the portable wealth and putting an effective check upon the organization of an imperial economy.

Such developments are inevitable. The rich bottom lands are inhabited by cultivators who have domestic animals, houses, cities, temples, stores of textiles, metals, etc. Settled centres are necessarily wealth centres.

Nomads are migrants whose wealth consists of what they can carry. For them the agricultural villages and the trading cities offer a chance for plunder. Unprotected regions have no natural means of meeting these attacks. Only in isolated areas, therefore, can a nucleus of imperial power be organized. Cowan[17] regards the nomad as the greatest single deterrent to the development of an imperial nucleus, and therefore places defense advantage first as a factor in empire building.

Usually the more successful imperial nuclei have en-

[17] Cowan, *Master-Clues in World History*.

joyed both an economic and a defense advantage. The Phoenicians are a case in point. The *murex*, a small shellfish from which a purple dye was obtained, gave them a basis for a great textile industry; the hills yielded copper and timber; they also provided the materials for making excellent glass; Phoenicia occupied a strategic trading position at the eastern end of the Mediterranean. But besides these economic advantages, the Phoenicians lived on a very narrow coastal plain, surrounded by rugged, easily defended mountains.

Rome and Carthage both enjoyed similar positions. Their home territory was comparatively rich; they lay at strategic trade centres. Rome was protected by the almost impassable Alpine barrier, and Carthage by the Great Desert.

The nucleus of every great historic empire has been built, at least in part, through conquest. In some instances, conquest has played the chief rôle in nucleus development. At some point in the process weaker neighbors are defeated in war, and are forcibly added to the imperial nucleus. In this manner the Nile Valley was consolidated as the nucleus for the Egyptian Empire. The Fertile Crescent was conquered and reconquered by a succession of empire builders. Italy, in like manner, was united under Rome.

Another advantage, making for the unification of clans and villages into an imperial nucleus is some cultural lead, based, as a rule, on an improvement in production methods. The Hittite country held large reserves of iron. The Hittites learned large-scale iron production, and were able, in a bronze age, to make quantities of iron weapons. A single arsenal in Sargon's palace contained two hundred tons of iron implements. Both for peace and for war purposes, this culture lead

gave the Hittites a great advantage over their bronze-using contemporaries.

Such cultural leads are of great consequence from the standpoint of trade. Once a product is known—Hittite iron, Tyrian purple, Corinthian vases—there is a regular and wide demand for the goods. Corinthian vases, for example, have been found through the whole Mediterranean Basin.

Culture leads are ultimately lost. The idea and the technique are diffused among rival peoples. But in the ancient world, culture diffusion was slow. Centuries passed before the iron culture of the Hittites replaced bronze culture in Egypt. In the meantime the centres which have secured a cultural lead, sell their products at monopoly prices and reap huge profits.

One other important factor in the unification of local, isolated groups must be mentioned: the influence of strong personalities. Thutmose III, during his fifty-four year reign, which ended in 1447 B.C., unified Egypt. "Never before in history had a single brain wielded the resources of so great a nation and wrought them into such centralized, permanent and at the same time mobile efficiency." [18] Darius the Great (521-485 B.C.) did the same thing in Persia. Alexander the Great, in his very brief career (336-323 B.C.) was almost as successful an empire builder as Genghis Khan (1162-1227 A.D.) whose realm stretched from China to Poland and from North Asia into India. In some of these cases, such as Ghengis Khan-Tamerlane; Cyrus-Darius; Philip-Alexander, the great personality was immediately preceded or followed by one almost equally able, thus giving from half a century to a century under a unified and consecutive

[18] Breasted, *Cambridge Ancient History*, Vol. II, pp. 86-7.

control. Pericles in Athens and Julius Caesar-Augustus in Rome performed a like function in unifying the local groups and laying the basis for empire.

The rôle of great personalities in unifying the nucleus of an imperial structure diminishes with the organization of business, the multiplication of trading centres, and the building of a complicated military machine. In the early history of empire building, however, it was a factor of consequence.

Various forces have combined to provide the basis for imperial organization. But whatever the means, the results were similar; isolated, local groups were unified into an effective mechanism for conquest and exploitation. The process of welding together an imperial nucleus usually extends over centuries. The Roman tribes unified Latium in about three hundred and fifty years of struggle. It was five hundred years before they had brought all of Italy south of the Rubicon under Roman control. Other prospective empire-builders never succeeded in welding together a working nucleus of imperial organization. The Greeks, for instance, could not effect a unification of the peninsula. Instead, Athens and Sparta, the chief contestants for supremacy, ruined each other through decades of war. In the course of this unifying process one successful group—in Egypt, Persia, Phoenicia, Carthage, Rome—builds a more efficient imperial nucleus than any of its immediate rivals and becomes a successful centre of conquest and exploitation.

§22. THE GROWTH OF TRADE

The growth of trade and the shift from agriculture to commerce as the most lucrative source of livelihood characterize every imperial cycle. The imperial cycle

begins on the land, but imperialism arises with the development of the trading centre. Business advantages, derived from trade, are an effective means of unifying local groups. No sooner is the economic advantage of a local trading centre well established than people from the surrounding territory flock there to share in the growing prosperity.

At an early stage in culture history peoples do not trade at all. The rise of trade is gradual. The ordinary steps in the process are from barter to trade, to a money economy. This last stage is reached only by the most highly organized trading centres.

First dumb barter or guest gifts; then a neutral or trading zone on the border between two neighboring tribes, protected by religious sanction and devoted to the sacred purpose of exchanging necessary produce; finally a temple with the adjacent market-place, were the steps leading from the tribal "foreign trade to the permanent trading centre." [19] In the early days of Greece the craftsman went from house to house and did his work on goods supplied by the customer. With the growth of trade, the craftsmen set up a shop and either he or a trader brought the goods to the customer.[20] Through various means, recognized trade centres were established.

This shift from agriculture to trade marks the beginning of civilization. It lays the economic basis for imperialism.

Trade development is a normal economic phenomenon. Localities that enjoy special economic advantages in the form of resources or products exchange them with other localities. Even under tribal society this exchange is well developed. Its growth marks the

[19] Müller-Lyer, *History of Social Development*, pp. 161-3.
[20] Glotz, *Ancient Greece at Work*, pp. 43-4.

transition from barbarism to civilization. The *murex* of the Phoenicians; the iron of the Hittites; the copper of Sinai; the tin of Cyprus and Britain; the gold of Spain; the pottery clay of Corinth; the wheat lands surrounding the Black Sea gave the inhabitants of these localities the means of trade development. During the years from 3315 to 2850 B.C. the Egyptians were already importing timber and certain agricultural products. In exchange, they exported manufactured articles of wood, stone, bone and ivory. The Greeks of Homeric times exported copper from Cyprus, wines, swords and vases from Thrace, carved and painted ivories from Lydia and Caria. The Phoenicians sent silver vases, carpets and glassware to Greece, which they exchanged for corn, cattle, wine and slaves.[21] Athens at a somewhat later period, imported wheat, timber, flax, hemp, iron, bronze and pitch.[22] The Phoenicians sold goods throughout the Mediterranean Basin. But to carry on this trade, they were compelled to go to the coast of Boetia for the *murex* that made purple dye; to the shores of the Black Sea for wool; and to other points for iron, copper and tin that went into their weapons and implements. As trade developed, the need for these raw materials became more pressing.

Piracy, robbery and war are constant factors in early exchange, and an incentive to trade. They stimulate new demands, open trade routes, and in the case of successful war often lay the basis for years of peaceful trade development. Piracy and robbery are among the most successful devices for bringing isolated tribes, clans, villages and cities into contact with the outside world. War always leads to some exchange of products

[21] Müller-Lyer, *History of Social Development*, pp. 58-9.
[22] Zimmern, *The Greek Commonwealth*, pp. 358-9.

since the victors uniformly plunder the vanquished.

The wars carried on by the landed nobility lay the basis for the development of the trading class. The unification of a land area or the domination of a water route or area by one centre greatly increases the possibilities of commerce. While it is true that wars are expensive and very destructive, particularly to the vanquished, it is also true that every great empire has secured and held control of its wheat areas, its supply of necessary minerals, its trade routes, and its slaves, by means of organized warfare. For many thousand years the chief trading nations have been the chief warring nations. War is a function of the trading centre.

Out of economic necessity and armed conflict the trading centre emerges,—the sacred spot set aside for the transaction of business. Here the civil state is born. Here the imperial cycle has its beginning.

Trade was first local, but it steadily broadened. Local farmers and craftsmen could not supply all local needs. Foreign trade—that between distant centres of population—was meagre, confined largely to luxuries, a victim of statecraft and war. Still it developed. Early Greek cities frequently had a port as well as a market-place. "The towns which rose to the first rank were those which combined the advantages of a fertile territory and a good harbor with the resources given by industry or by an exceptionally good situation." [23]

When trade reached the "foreign" stage, a new and imperative need arose. The local villages and citizens must welcome and protect foreigners,—merchants, traders and even artisans—whose skill was needed for the development of local crafts. To this end the harbor

[23] Glotz, *Ancient Greece at Work*, p. 66.

and the market-place were ordinarily situated in the neighborhood of a temple.

Trade, as it developed, gave the individual trader and the trading city a great advantage over their neighbors in the form of a very much larger economic surplus. Herdsmen and farmers made a profit once a year, as a rule. If there was a crop failure, the year's profit and the year's living were both wiped out. They had housing and food, but their surpluses were always small.

The trader lived at the centre of affairs,—in the growing city. He went and came; saw the world; adventured; and made a profit nearly every time he made a trade. Thus trade was economically and socially more attractive than pastoral life or farming. Trade was also necessary for those city-states whose growing population could not be fed from the homelands, and which was therefore compelled to buy food abroad.

The farmer, toiling in the fields, made a bare living. The trader, traveling, meeting people, handling weights, measures and money, developed a nimble wit. Keen minds were attracted to trade because it paid. The trading centre, with its variety of goods and of experiences, its larger economic surplus, its organized system of military defense, was the magnet that drew ability and talent.

Little is known of the actual return on business ventures in the earliest periods. In Egypt, during the early empire, the rate of interest was 18 per cent. With the increase of prosperity and security it dropped to 12 per cent and in some cases to 10 per cent. In Ur and Akkad, under Hammurabi, the customary rate on a loan of barley was 33 1-3 per cent. In the Neo-Babylonian period, when loans in silver were becoming more

common, the rate fell to 20 per cent.[24] In industry, in the fifth and fourth centuries B.C., 25 per cent return was considered low.[25] During the securest days of the Roman Empire the regular interest rate was 12 per cent.[26]

Under the pressure of this economic advantage a class arose that held its power, not because of piracy or brigandage, and only incidentally through war. It controlled some land, and was engaged, to a degree, in animal husbandry. Its chief source of income, however, was business: trade, money-changing and lending, manufacturing, contracting.

Business had become a regular occupation from which large, quick returns could be made. The business class was the rich class. The business class was the powerful class. The shift from agriculture to trade economy had given the business class the leading position in the community.

§23. RISE OF THE BUSINESS CLASS

The rise of the business class follows the introduction of forms of economic enterprise that yield larger returns than animal husbandry and agriculture. With the development of trade, manufacture, money-lending and contracting and their relatively high rates of profit arises the growth of a class which devotes its time and energy to those pursuits by which it is being enriched.

Many new profit-making opportunities are presented by the development of a commerce economy. The self-sufficient village household is superseded by the market-place, where men can make better incomes with less work than they can on the land. Raw materials are

[24] Delaporte, *Mesopotamia*, p. 127.
[25] Glotz, *Ancient Greece at Work*, p. 273.
[26] Davis, *The Influence of Wealth in Imperial Rome*, pp. 78-9.

produced or imported; shipbuilding develops; tools and implements are manufactured; weapons are made; goods are produced for the export market. As large-scale operations become possible (in mining or shipbuilding, for example) the work is let out on contract, and a group of business contractors appears.

Athens under Solon was filled with people who came to the city because of the security it offered to artisans and tradesmen. Solon put the artisans to work in various industries, and did what he could to encourage the coming of craftsmen, because their labor provided the manufactured products which could be exported in exchange for the food the city was constantly importing.

Corinth was in the same position as Athens. Between 700 and 500 B.C. she was securing food in exchange for textiles, embroideries, mirrors, furniture, and especially pottery. The city's economic success was therefore dependent on the success of her manufacturers and traders. They had become the central forces in the determination of public policy.

After the commercial and industrial revolution in Greece, shipbuilding and manufacturing were carried forward on a large scale. Greek merchants and traders scoured the Mediterranean and the Black Sea for markets and for raw materials.

When this stage had been reached in the life of a Greek trading city, the principal activities of the leading citizens consisted in: (1) manufacturing for the home market; (2) manufacturing for export; (3) trading; (4) financing; (5) securing foreign markets; (6) obtaining raw materials and food for the home city; (7) building commercial and war ships; (8) constructing wharves, warehouses, temples, markets, city walls, etc.

This development can be clearly traced in the case of Greece. It apparently followed much the same course a thousand years earlier in Egypt under Amenhotep II.

The growth of manufacturing, mining, shipbuilding, temple and village construction, irrigation and other public works, and the development of money-lending and of investment add to merchandising and trade many other lucrative occupations connected with business enterprise. Moreover, the trading class is now divided into two distinct parts: the part that goes in search of materials and markets, and the part that remains at home, financing the more risky voyages and caravan journeys and handling the goods when they arrive at the home trade centres.

The interests of the developing business class are necessarily at variance with the interests of the herdsman and farmer, who produce their own food, clothing and shelter without the intervention of a money economy.

The agricultural turnover is slow; the profit is small; economic surplus takes the form of grain, wine, cattle. There is little ready cash. Farmers sell at a low price to the city because their chief income is derived directly from their labor. They need only a small surplus to purchase the necessaries that cannot be produced at home.

Business men introduce a money economy in order to stabilize and to increase profits. After the money economy has been established, agricultural values are measured in money terms. But the monetary standards are those of the business man, whose surpluses are much greater and more mobile than those of the agriculturalist. Consequently the agriculturalist is at a perpetual disadvantage. He can never buy as many of the good things of life as the business man.

Furthermore, the interests of the farmer lie primarily at home, on the land. The interests of the business class are as broad as their trading and financial operations. In all of the principal earlier empires this meant at least the eastern half of the Mediterranean Basin.

The building of a great business structure, with its consequent overhead costs, constituted a tax on the farming community. They paid this tax directly to the tax collector. Indirectly, they paid it in the form of low selling-prices for the products of the farm, and high buying-prices for city-made or city-handled goods. The trading city thus ate up the surplus of agriculture, leaving the farmer poor while the merchant and manufacturer grew rich.

Such a conflict of economic interests necessarily leads to a bitter struggle. The agriculturalists fight for their economic advantage as the business men fight for theirs. Thus the introduction of a trade-manufacture-money-economy leads to a struggle between two economic classes, each of which seeks to control public policy.

Struggle between agricultural and business interests has been very widespread. Glotz notes that in Greece the landed aristocracy was succeeded by an aristocracy of ship-owners. In Rome and in Italy the new-rich business men—the equestrian class—ranked next to the senators. In ancient India the merchant guilds were so strong that they could veto the acts of the landed aristocracy. Alexander was one of the first great organizers to recognize the importance of business. He built the economy of his kingdom on trade and a trading class.

This struggle between the agricultural and the business interests is one of the pivotal phases of the imperial process. If the agriculturalists win, the drive toward

conquest and exploitation is checked. But the agriculturalists seldom win. The economic dice are all loaded against them. If it comes to a fight, as it did in the Roman civil wars, the economic surplus in the hands of the business class proves too strong for the agricultural interests.

The actual process of shifting economic power from agriculture to trade was twofold: on the one hand, landed aristocrats found that trade paid well, and went in for it, either directly, or more often through agents; on the other hand the business classes found that aristocratic position paid well, and bought their way into the aristocracy.

In the course of these struggles between the agriculturalists and the business men, the latter, as the aggressors, frequently resorted to civil war and, in periods of acute crisis, to dictatorship. In order to secure the power they desired they took the necessary steps, whether within or without the law. The struggle in Rome between the agrarian and the business interests gave rise to one of the bitterest civil wars of classic times.[27] In Greece, the business interests, in their struggle for power, set up many dictators (tyrants).

Because of its superior economic position, the business class usually wins in the struggle against the agriculturalists. Since the business class controls the bulk of the economic surplus, it is in a position to dominate public policy.

The rise of the business class is an essential phase of imperial development. The shift from agriculture to commerce and the establishment of business centres

[27] Rostovtzev, *Social and Economic History of the Roman Empire*, pp. 449 ff.

makes the influence of the business class predominant. The farmers lose their land to the money-lenders, and are replaced by slaves or serfs. The small farmer is loaded with taxes, which he cannot pay, and with long periods of service in the imperial army during which his family and his land go to ruin. The big economic prizes are in the cities. The ambitious villager goes there. The standards of agrarian life remain low. Agriculture stagnates. Big capitalists try to push it ahead with slave or serf labor. The people of means—the city rich—get and keep the land. The business power has bought out the agricultural power. In the course of the process the business men become the masters of social destiny. They reshape, dominate and direct the machinery of the state as well as the land, and the commercial, manufacturing, mining and financial enterprises.

§24. NEW FORMS OF EXPLOITATION; LABOR REVOLT

The growth of trade and the rise of the business class with its control over concentrated wealth and its domination of business enterprise intensifies exploitation. The workers—artisans, slaves, serfs—must produce an increasing volume of wealth which is disposed of at the discretion of the business class.

The development of these new forms of exploitation involves the replacement of free farmers and herdsmen by slaves, serfs, tenants. Agriculture still employs the great majority of the population, but it is now conducted on a large scale by absentee landlords, using scientific agricultural methods and depending upon the labor of the slaves or serfs.

Dispossessed farmers drift to the growing imperial cities, where they are subject to the pressure of mass life, with its high costs, its unemployment, its insecurity and its excitement. These city populations are a constant menace to the security of the ruling class. At times they are utilized in the struggles of rival ruling-class factions. At other times they rise in protest against both.

Peasants and slaves revolt against intensified exploitation. Such movements reached their peak under the Roman Empire.

Peasant and slave revolts, in their elementary form, are revolutionary mutterings and protests. As the volume and intensity of exploitation grows with the development of imperial power, they break out into armed rebellions like those of the Roman slaves. Eunus, a Sicilian slave, led a revolt against Rome from 143 to 133 B.C. In 140, Eunus was proclaimed King of Sicily, with an army of 200,000 at his disposal. In 102 B.C. Athenion, another leader of Roman slaves, was again master of Sicily for a short time. Spartacus, a gladiator, and leader of the Roman slave revolt from 74 to 70 B.C. won battle after battle against the Roman legions.

Historians of early imperialism usually ignore the revolutionary movements of peasants, artisans and slaves. Nevertheless, as Ward has pointed out in his *Ancient Lowly*, the ruling class of each great empire has had to face the problem of working-class revolution.

Revolution, under imperialism, is progressive. As the empire rises to greatness, the intensity of exploitation and the numbers of the exploited masses are constantly increased. The basis for working-class revolution is therefore steadily broadened.

§25. A WORKING BASIS FOR EXPANSION AND EXPLOITATION

Thus the nuclei of imperial power are organized. Beginning on the land, among herdsmen and farmers, the imperial process drives the local, isolated groups together about some economic or defense advantage. A change in production or in military technique gives the group a lead. A great personality helps to unify it. Through centuries the economic and social forces hammer out the imperial nucleus.

Trade develops. Shipbuilding, manufacturing, mining, money-changing become lucrative occupations paying the business men higher profits than the farmer can hope to secure. Agriculture is pushed into a subordinate position by the rise of business activity. The business class either absorbs the agricultural class or else drives it from power.

Business-class interests lie beyond the narrow boundaries of the agricultural state. Business men go out in search of raw materials, food, markets, trade routes; organize a military machine; conquer; exploit. Thus the area of the imperial nucleus is expanded and a form of political state is created that will serve the needs of the new business class.

Revolt, rebellion and revolution accompany this expansion. To the rebel the ruling class metes out terrible punishments. If the empire is to grow, conquer and exploit, the nucleus of imperial power must be unified.

Under business-class control the imperial nucleus takes form,—in the Nile Valley; on the Island of Crete; on the Italian Peninsula. It is an organized, disciplined society. It is a web of economic, social and military power, in which authority is centred in the hands of the owning, exploiting ruling class.

Having organized an efficient imperial nucleus, the

ruling class is ready for the next stage of empire building: expansion.

§26. EXPANSION

Every commercial ruling class adopts and follows a policy of expansion.

Agricultural interests may be confined within a geographic area. They relate to one piece of land and can be organized on a basis that is largely self-sustaining. Business interests depend upon resources, markets, and business opportunities, at least some of which lie beyond the boundaries of the state of which the business men are citizens.

Agriculturalists may be self-sufficient economically. An agricultural tribe, or village, or state provides its own food, clothing, shelter, and most of its own tools and implements. Despite this possibility of economic self-sufficiency, agriculturalists may and frequently do attempt to add to the land area cultivated by their tribe or village. Particularly after the development of a landowning class that lives from rents or services, the desire for greater wealth or power leads to armed conflicts which have as their object the conquest of neighboring land areas.

Business classes expand as a matter of course. The nature of their economic interests leaves them no choice.

§27. OUTSIDE INTERESTS OF THE BUSINESS CLASS

The interests of business groups lie outside the political territory of the imperial nucleus (the city, state, or federation). There is no such thing as commercial self-sufficiency. Never, since the rise of the trading city, has there been a political state that contained the sum total of its business interests. Some essential

resources, some markets, some trade routes, some investment opportunities have always been found outside of the political boundary line.

The immediate locality, for a time in the early history of every commercial centre, provides food, raw materials and markets. That time, however, is soon passed.

Business grows. Wealth accumulates. The lure of high profits proves irresistible. The trader seeks his market; the manufacturer seeks his raw material; the money-lender seeks his investment opportunity where it will pay the largest returns.

Toward these outside business opportunities the traders, manufacturers and investors of each commercial centre have turned their attention. Quite irrespective of race, nationality, religion or language, the lure of profits has led each group of business interests to the area of maximum business opportunity.

§28. CONQUEST; EXPLOITATION; COLONIZATION

Business-class domination of public policy means expansion: colonization, conquest, the subjugation of neighboring peoples, the extension of economic frontiers, and the organization of a state machine adequate to produce these results.

Shipbuilding, manufacturing, mining, public building, money-lending all follow the expansion of trade. These activities are, in their turn, dependent upon the control of the necessary raw materials. As the market grows and the variety of manufactured goods increases, the need for a varied supply of raw materials increases correspondingly. Throughout the period of civilization this demand for raw materials has meant, in the main, a demand for metals and fuels,—at first some metals:

gold, silver, copper, tin, lead; then for iron; finally for coal and oil. Civilized empires have risen to power because they controlled a supply of metals and have fallen when the supply was exhausted. Technically speaking, an adequate supply of metals has probably been one of the largest single factors in successful empire-building. Metals and fuels are the bone and sinew of civilized manufacture and of trade,—more so during the machine age than ever before. But Egyptians, four thousand years ago, were seeking gold and copper as eagerly as British, German, Japanese and American imperialists now seek iron, copper, coal and oil.

Growing commercial cities cannot provide themselves with food and clothing. They must import wheat and wool as well as copper, silver and timber.

Imports must be paid for with exports. The rising centre of commerce must therefore produce goods in sufficient quantity to pay their import bill, and must at the same time find markets in which they can be sold.

The importation of raw materials and food, the export and marketing of manufactured goods are necessarily carried on along established trade routes,—along rivers, over caravan routes, across seas. The survival of a commercial centre depends on its control of these channels of trade and on its facilities for trading. If trade ceased, the commercial empire would perish.

The procuring of raw materials, their manufacture, their marketing, the opening of trade routes—building ships, wharves, canals, roads—involve outlays of capital and credit. The money-lender and banker thus become an indispensable factor in commerce economy.

How are adequate mineral supplies to be secured? How are markets to be opened? How are trade chan-

nels to be controlled? Primarily through conquest. Once the sources of minerals have been secured, how are they to be exploited? How are the canals and roads to be built and repaired? —By forcing the local population to do the work.

Military organization, for at least four thousand years, has been used for the purpose of conquering and exploiting mineral deposits, fertile land, timber supplies, trade routes. The organization of a military machine is therefore an essential part of the work of organizing an empire.

Commercial centres, dominated by business interests, organize an army and navy just as they organize trade and industry. They must put down piracy; suppress brigandage; conquer new sources of raw materials and new markets; drive off dangerous rivals. None of these objectives may be attained without the use of organized military and naval power. Hence the building of a war machine has been one of the chief occupations of every ruling, business class. There is no historic record of a civilized imperial state without a military machine. Usually this military machine grows so cumbersome that it eats up a large part of the economic surplus and plays a leading rôle in destroying the fabric of imperial power.

The seizure of wealth by main force did not originate with civilized imperial states. Piracy and brigandage preceded commerce,—were an introduction and stimulus to commerce. The Greeks plundered before they traded. It was only after the rise of the trading class with its demand for law, order, and "peaceful" commerce that piracy was suppressed.

Military operations, in the early Greek cities, added

something to the social income. Plundering expeditions were organized to supplement crop yields.

As trade develops, sporadic piracy and intermittent plundering expeditions are replaced by an organized war-making machine. The army and navy become professional functions of the ruling class. Territories must be subjugated and rivals crippled or destroyed. When historic records begin in Egypt and in Assyria-Babylonia, the kings were wielding well-organized armies and navies as tools for conquest and subjugation. Carthage hired mercenaries, and, for a long time, made military operations pay. Rome depended, not primarily on an economy of production, but on one of conquest and exploitation. She seized mineral deposits, occupied trade routes, smashed her rivals and forced them to pay tribute to Rome.

Empires organize war machines and create a professional soldiery to further the interests of their dominant economic classes. War had existed long before the development of imperialism, but the imperial cities and states organized war on a far more efficient footing and used it more extensively and more purposefully than their tribal predecessors. War established the opportunities for foreign exploitation. It was the strong right arm of imperial economy.

War-making, in tribal society, was generally incidental. Civilized empires organized war on a vast scale and raised it to a professional level, ranking war-makers such as generals and admirals at the top of the social scale.

Colonization, as has been said, is another important element in imperial expansion. Wars smash rivals and gain territory. Colonization is a means of holding newly acquired territory and of building trade connections

there. The Phoenicians practiced colonization extensively. The Greeks were notably successful colonizers. In both cases the colonies became a part of the imperial fabric. Zimmern calls the Athens of Pericles "the metropolis or mistress of some two hundred and fifty dependent communities." [28]

Colonies were sources of raw materials and markets for finished goods. They also offered a means of disposing of surplus population,—malcontents, dispossessed farmers, unemployed craftsmen. Frequently the colony became larger and more powerful than the mother country,—Carthage in Africa; Syracuse in Sicily, for instance.

Armed conflict reaches far back, beyond written history, into the life of tribal society. Under the drive of business organization it takes on a new aspect. It is an essential part of public policy. It protects the traders against piracy and robbery; it provides sources of raw materials, trading opportunities, slaves. It is the chief agency in business expansion,—the instrument for conquest and exploitation.

§29. COLONIAL REVOLT

The task of empire-building is not completed when conquests have been effected and when the exploitation of the conquered territory is under way. On the contrary, the work of imperialism is only just begun. Conquest and exploitation lay the basis for colonial revolt. This matter will be dealt with in greater detail under the general heading *Disintegration and Dissolution.* Here it is necessary merely to note the rôle that these forces play in the organization of the imperial structure.

Revolts occur as a matter of course in conquered and

[28] Zimmern, *The Greek Commonwealth,* p. 180.

in colonial territory. Economic and social forces both lead in that direction. The rise of a local business class, desiring to conquer and exploit, is the driving power behind such revolts. Differences in language, religion and customs; the presence of foreigners, especially foreign soldiers; the inevitable friction of divergent cultures all play a part. Every page of imperial history is filled with records of colonial and provincial revolt.

§30. THE IMPERIAL UNIT

The imperial ruling class has now rounded out a unit for imperial struggle. At home there is a nucleus of exploitation (the homeland) which yields income and economic surplus and which renders political support in the form of soldiers, warships and civilian officials for the expanding foreign interests of the ruling class.

Abroad are the conquered, exploitable areas,—the colonies, dependencies, and other territory in which the business class of the homeland is securing economic advantage and over which it exercises political control through the use of military force.

The ruling class of the homeland has rounded out an imperial unit. To the lands and peoples that it exploits at home it has added, by conquest, lands and peoples that it exploits abroad.

§31. THE CONFLICT FOR SURVIVAL

Expansion from one commercial centre leads inevitably to conflict with the expanding, trading groups from other centres. Commercial cities are relatively small in area, occupying only a few square miles of territory. Many such cities supported themselves on a small island like Crete. The Greek and Italian peninsulas, with the neighboring islands, held scores of

developing city states. Each usable harbor, each location at a strategic trading point, each area of mineral supply, each deposit of fertile soil provided a possible basis for the development of a commercial city.

The process of development is approximately the same in each of these commercial centres. The rise of the business class, with its demand for markets, raw materials and trading facilities, necessitates economic expansion. Since this economic expansion is taking place at the same time from many centres, economic rivalry is inevitable.

Conquest, colonization and exploitation are carried on by rival commercial groups. In the normal course of events this competition involves war.

The first general stage in the imperial cycle is the establishment of a nucleus of imperial power. The second stage is expansion. The third stage is the survival struggle between expanding rival nuclei. Opportunities for conquest and exploitation are necessarily limited. Economic demand quickly outruns them. From that point forward an elimination contest begins, —the life and death struggle between rivals for economic and political supremacy.

§32. ECONOMIC CONFLICT

Business opportunities are limited. Tin mines, copper mines, silver mines, timber tracts, wheat areas, trade routes, markets, have never been sufficiently extensive to meet all of the demands made upon them. Each group of business men tries to secure possession of the best of the tin, copper and silver mines. The search for these business opportunities—business competition—brings the various business groups into active

conflict. Economic expansion involves a struggle between rival groups in which the strongest survive and the weakest go to the wall.

Historic records are filled with the story of these economic conflicts. "For three thousand years," writes Moret, "Semites, Egyptians and Aryans confronted one another in Syria and strove for the possession of its ports and trade routes." [29] Similar economic conflicts were taking place at the same time in Crete.[30] Until about 600 B.C. the Phoenicians controlled the commerce of the Mediterranean. Then Greece, through her colonial system, was so successful that "Greek sailors and merchants ousted the Phoenicians from their commanding position," [31] and "were for a time the leading merchants of the Mediterranean." [32] Greece was not an economic unit, however. Athens was in active competition with Corinth, Corcyra, and Syracuse. Alexander the Great, pursuing his policy of building an empire on the lines of commerce, founded at the mouth of the Nile a city which speedily became the greatest commercial centre of its time.

After the Greeks had cut the Mediterranean trade in two and had gained supremacy over the eastern trade routes, Carthage, from its strategic position on the northern coast of Africa, continued the Phoenician policy in its monopoly of the British tin trade and of the trade with Spain and France. The rising power of Rome lay between the eastern interests of a divided Greece, and the western interests of Carthage.

Under their earliest commercial treaties, from her

[29] Moret, *From Tribe to Empire*, p. 358.
[30] Glotz, *Aegean Civilization*, p. 37.
[31] Day, *History of Commerce*, p. 18.
[32] *Ibid.*, p. 17.

monopoly of colonial trade, Carthage assigned to Rome a sphere of commercial influence, while she continued her exclusive control over the British tin trade and of certain lines of African trade.[33] Later, as Roman interests expanded, the sphere of exclusive Carthaginian influence was gradually reduced until the city was razed. Histories of commerce record numbers of such economic rivalries and struggles in the course of which one commercial group drives another out of the choicest pastures.

Histories of commerce are records of economic rivalries and of struggles between competing economic groups. In the course of these struggles one of the rivals succeeds in eliminating its competitors and in establishing a virtual business monopoly.

Conflicts between business rivals are life-and-death affairs. The triumph of one business group means the subjugation, the exploitation, the impoverishment, and frequently the annihilation of the defeated rival.

These triumphs of successful commercial groups over their less fortunate rivals are due, in part, to superiority in resources; in part to superiority in relation to trade routes; in part to superiority in organization. But in every case the successful commercial centres have possessed successful military machines. Supremacy in business has been accompanied by and has followed supremacy in war.

§33. ECONOMIC CONFLICT AND WAR

Economic conflict involves war. Perhaps it would be more correct to say that war is a phase of economic conflict.

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[33] Cunningham, *Western Civilization,* Vol. I, pp. 142-4.

Each rival business group builds its war-making machine. Expenditures for military purposes are the chief expenditures of the state. Each citizen is liable for the payment of war taxes and levies, and for services in the field.

When business groups seek advantage or supremacy in economic competition beyond the boundaries of their city, state or nation, they utilize the army and navy to enforce their claims to economic opportunity. Thutmose III carried on at least twenty years of warfare before he could gain control of the kingdom of Kadesh, which lay across the trade routes between Egypt and the East and South.[34] Babylon and Assyria fought for centuries over the control of trade routes.[35]

Phoenician and Greek expansion occurred, almost simultaneously, in the western Mediterranean. Carthage and Utica united to conquer the other Phoenician cities. Then Carthage subjugated Utica. As Carthage extended the sphere of her interests, "she found herself in contact with the Greeks everywhere. After commercial rivalry, armed conflict was inevitable." [36] The Etruscans and the Carthaginians allied themselves and made common cause in their wars against the Greeks. The Persians and the Greeks carried on a long series of wars. In 594 B.C., after the battle of Lodi, the Persians succeeded in bringing the Greek cities under Persian control. Meanwhile the Greek cities were warring among themselves. In 434 B.C. Corinth and Corcyra weakened one another by an indecisive war. Athens had broken the sea power of Aegina by a war, and had taken over her commerce. Between 444 and

[34] Breasted, *Cambridge Ancient History*, Vol. II, pp. 56-7.
[35] Delaporte, *Mesopotamia*, p. 57.
[36] Jardé, *Formation of the Greek People*, p. 224.

431 B.C. Pericles, with his policy of Pan-Hellenism, succeeded in making Athens the commercial leader of Greece.[37] But with the defeat by Sparta, the power of Athens was broken. The Greek city states were constantly at war.

Then came the Roman power, reducing the Greek cities to vassalage by a series of military campaigns, and crushing Carthage at the end of the Third Punic War (146 B.C.).

Political history has often been written in terms of military campaigns. When these campaigns are examined in relation to the history of commerce, they are found to be, almost invariably, the climax of economic struggle. The great military rivals were, in each case, the great economic rivals, and the major wars of at least the past four thousand years have been fought in the main because of the increased economic advantage that rival business groups hoped to derive from military victory.

§34. THE ELIMINATION OF RIVALS

In the course of these wars, one by one the imperial rivals are eliminated. Either they are destroyed, as in the case of Carthage, where the danger of continued rivalry from the surviving city seemed very great, or else they are reduced to the status of provinces and are compelled to pay tribute.

Tribute collection from the defeated rival by a victor is a commonplace of history. A Babylonian dynasty, after 2225 B.C., unified the land by conquest, established a central authority and collected tribute from the

[37] Jardé, *Formation of the Greek People*, pp. 285-6.

provinces.[38] Thutmose III of Egypt had contracts with the various parts of his conquered empire under which there was annual payment of tribute in products,—cereals, fruit, honey, animals, timber, metals, rare stones, ivory and slaves.[39] This system was in full operation in 1450 B.C. By the time of Sennacherib (705-681 B.C.) the Assyrian Empire consisted of about sixty governors over districts and provinces, together with subject kings who continued to rule under Assyrian control. It was from the tribute paid by these subjugated territories that the income of the empire was in large part derived. The policy of levying tribute on defeated rivals was practiced extensively by the Romans. Part of the tribute was levied in kind, part in money.

Results were the same in either case. Both collections in kind and in money enabled the victorious empire to build ships, dig canals, open roads, equip armies, and take the other necessary steps for the continued exploitation of the conquered territory. The victor in each instance forced the defeated rival, through the payment of tribute (indemnities, reparations) to contribute to the imperial income.

Conquest would be impossible if it carried with it no economic advantage. Business classes would not tax themselves; soldiers would not fight; military campaigns could not be waged were no economic urge present.

The successful contestant for imperial power surrounds itself, through conquest, with subject provinces or dependencies from which it derives metals, food, timber, and other materials; in which it sells its prod-

[38] Delaporte, *Mesopotamia*, p. 38.
[39] Moret, *From Tribe to Empire*, p. 283.

ucts and invests its surplus wealth; from which it secures, therefore, a tribute, either paid directly into the public treasury, or else indirectly in the form of graft taken by imperial officials or in the form of profits on business operations.

§35. THE MILITARY MACHINE

Levying tribute is one thing. Collecting it is a very different matter. Distances were great in early times. Transport and communication were slow. Even when facilities improved, the problem of collection remained a serious one, leading to the tyranny and corruption of tax-gathering on one hand and the discontent and revolt of vassal peoples on the other.

Successful tribute collection implied the maintenance of law and order,—open communications, efficient tax gathering, peoples sufficiently prosperous and sufficiently contented to be able and willing to pay. Where resistance occurred, it must meet with speedy and terrible retribution. There was no other way in which a centre of wealth and power could hope to collect income from provinces removed by weeks or months of travel.

Law and order is preserved, in every empire, by the army and navy. From the time that one city or nation conquers and begins to exploit its rivals, the maintenance of a military force and the suppression of colonial revolt constitutes two of the chief fixed charges on the conqueror.

The military machine is the agency for preserving law and order; for guaranteeing communications; for reducing piracy and brigandage; for enforcing the collection of taxes; for suppressing uprisings in the tribute-paying territory; for smashing possible rivals, and for conquering new territory from which tribute

can be derived. Thus the military machine is an imperial necessity,—a part of the structure of imperial organization.

§36. EXPLOITING THE WORLD

The struggle for imperial supremacy begins with the rivalry of numerous tiny, local business groups. Through the first stage of the imperial cycle these local groups are consolidated into larger units,—nuclei of imperial power. In some instances these imperial nuclei are firmly organized. Again, they are weak and ineffective. It is the firmly organized nuclei that survive.

The great contests in the later phases of the imperial cycle are not waged by individual city states, but by combinations of city states (imperial nuclei) and by alliances between rival nuclei. The world is partitioned between powerful rivals that fight to the death.

At the beginning of an imperial cycle, many individual states are struggling among themselves. Competition is intense; war is incessant. But the conflicts are usually local.

Toward the end of the imperial cycle a few great combines or alliances face each other and fight until all but one is eliminated.

During the classical imperial cycle from which Rome emerged as victor, the Mediterranean world was divided into a number of competing centres. One lay in the Nile Valley. Another was in Persia. Still another was in Syria. The Phoenician cities were the centre of one of the strongest economic groups. The Greek peninsula was a potential imperial centre. Carthage held a strategic position on the North African coast. Rome was unifying Italy into an imperial nucleus.

Besides these primary areas of economic power, there were numerous secondary areas which passed by conquest from one imperial rival to another.

During six or seven centuries the struggle was waged around the Mediterranean Basin. Egypt, Assyria, Babylonia, Phoenicia, Greece, Carthage and Rome were the contestants. At the beginning of the period power still centred chiefly in Egypt and Assyria-Babylonia. Here were the remains of the imperial nuclei which had won supremacy in preceding imperial cycles. Here were the important lines of communication with the East. Here were some of the richest mineral reserves. Here were productive food areas.

Phoenician cities bid for power. Until about 700 B.C. they dominated the business life of the Mediterranean. Partly through internal dissensions, partly through attacks by outside enemies, partly through the economic losses arising from Greek competition, the Phoenician power was humbled.

Greek cities entered the field with a system of mass production that assured them the Mediterranean market. They cut the Phoenician lines of communication with the western Mediterranean and became the centre of an immense economic network that covered the Mediterranean and the Black Sea. In the middle of the fourth century B.C. Athens "could be described as the one great commercial centre and mart of the Greek world, through which every trader was bound to pass on a long-distance journey." [40] The Greek nucleus was never well-organized. During the fourth and third centuries the Greek cities engaged in incessant warfare.

[40] Zimmern, *The Greek Commonwealth*, p. 370.

Carthage gained as Phoenicia and Greece lost. By the beginning of the fourth century B.C. Carthage dominated the western Mediterranean, and with it some of the most important raw material and trade centres of the world.

Rome came on the scene rather late, after many of the rivals for imperial power had exhausted themselves. The nucleus of Roman imperial power was built slowly. Five centuries passed before the Italian peninsula was under the control of Rome. But the imperial nucleus that Rome built was solid. The resources of Italy were extensive. The form of organization adopted by Rome, reduced local rivalry. The peninsula was easily defended against outside enemies. It occupied a strategic position in Mediterranean trade. The Romans introduced a new form of military organization, the legion, which was so superior, tactically, that it swept everything before it for centuries. The Romans were good soldiers and excellent business men.

The Greek cities, Egypt, Carthage and Rome were the chief contestants that entered the final stages of the classic imperial cycle. The cycle had begun in 700 or 800 B.C. In 146 B.C., with the destruction of Carthage, the imperial cycle entered its fourth phase. All of the important rivals had been eliminated. Rome was mistress of the world.

Historic records of this imperial struggle are more complete than those of any of its predecessors. But at various points in earlier history similar contests for world power took place. In 2850 B.C. Sargon had had an empire in Asia Minor. He was aiming at "access to the Mediterranean as an indispensable outlet for the agricultural and industrial wealth of Shinar to new markets, the quest of great pines alone able to supply the

building timber needed for palaces and ships; the search for precious metals, the control of mines that should furnish Chaldean industry with the indispensable raw materials and priceless revenues for the imperial coffers." [41] A similar unit of world power was built in Babylonia between 2123 and 2081 B.C.[42] The Nile Valley was the seat of at least two such empires. In each of these cases, rivals were eliminated. One nucleus of imperial power had conquered and was exploiting the known world.

§37. WORLD SUPREMACY

Peace and prosperity for the victorious imperial class follows the long struggle for supremacy. In some instances this period of supremacy has lasted for several centuries. Law and order are preserved; property is safeguarded; great masses of wealth are concentrated in the hands of the imperial ruling class, and in the imperial city or state. This wealth is obtained through taxes, levies and exactions upon those who have been brought by conquest and subjugation under the domination of the world empire. Thus the world is divided into a tribute-receiving centre and a tribute-paying periphery. The currents of world economic, political and cultural life swirl and eddy about the seat of imperial power.

§38. A WORLD SAFE FOR BUSINESS

The imperial ruling class is a business class, or a class engaged in business ventures. It must search for raw materials. It must discover and exploit markets.

[41] Moret, *From Tribe to Empire*, pp. 206-7.
[42] *Ibid.*, pp. 216-8.

It must find profitable investment outside the glutted home field. Even in the days of the Egyptian Empire, more than four thousand years ago, miners, traders and merchants traveled thousands of miles by ship and caravan in search of economic opportunity.

Having located a favorable site for operations, the miners must work the mines; the traders must transport and market their goods; the investors must receive a regular return on their capital outlay. Business interests are not transitory. Business transactions cannot be completed and disposed of. Business persists and grows. While ore remains in the ground, while open markets beckon, while investments continue to pay, the business class continues its profit seeking and profit making.

Economic exploitation requires law and order. The roads must be safe; the seas must be open; economic and political stability must be assured for years in advance in order that contracts may be entered into and that loans may be made and paid. After centuries of warfare and struggle, of chaos and disorder, peace reigns. The time has come when the business man can exploit safely and certainly.

This is the great contribution of the supreme empire to profit making. The world has been made safe for business.

Such a period of imperial supremacy existed in Babylonia after 2225 B.C., when the land was united under one dynasty. Egypt seems to have enjoyed at least two such periods: one, of the Middle Kingdom, 2160-1660 B.C., when the whole land was under the control of a highly centralized state, with a well-filled treasury, an extensive standing army, and a business system that

stimulated both agriculture and industry;[43] the other period, from 1500-1100 B.C., when the Egyptian Empire held undisputed sway over the eastern Mediterranean world. Following the empire building of Darius, the Persian Empire gave the world two centuries of peace and prosperity which came to an end in 333 B.C.[44] Rome, after the conquest of her last great rival, Carthage, maintained a Roman Peace for more than two hundred years. The Mediterranean was a Roman lake. Capital was invested; commerce flourished; roads were improved and extended; aqueducts and bridges were built; public buildings were erected; a postal system was maintained; banditry and piracy were practically eliminated; the seas were thronged with ships; caravans came and went, even as far as India and China. The mines, trade routes, wheat fields, timber tracts were all held together by a business system that turned immense profits into the coffers of the imperial business class.

Such a period of peace and prosperity is the era of unchallenged exploitation by one imperial ruling class, —the great prize of imperial expansion and struggle.

During the early periods of empire-building, when small local groups are being organized into an imperial nucleus or when the bitter conflict for world supremacy is being fought out between the leading contestants, the opportunities for exploitation are still divided between rival groups.

At a later stage in the imperial cycle, disintegration begins. Colonial revolt, civil war and the attacks of alien enemies follow on each other's heels until the system of exploitation is disrupted or destroyed.

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[43] Moret, *From Tribe to Empire*, pp. 221-2.
[44] Breasted, *Ancient Times*, p. 194.

Between these two eras of ascent to imperial power and imperial decay lies the stage of supremacy when the ruling class of the victorious empire has the economic world at its feet.

§39. CONCENTRATION OF WEALTH AND INCOME

These periods of imperial supremacy are accompanied by the concentration of relatively large amounts of wealth at the centre of imperial power and in the hands of the imperial ruling class. Mining, trade and money-lending are monopolized by the imperialists, headed frequently by the emperor and his household. Tax-gatherers ruin the provinces to enrich the imperial city where luxurious living, vast building projects and the maintenance of a huge governmental machine (including an army) consume the surplus of the imperial world.

The great capitals of the ancient empires were noted for their stores of precious things and for their buildings. Once the flow of wealth to the centre was established, the rulers were able to keep themselves in power through the manipulation of this wealth. The provinces might groan under their burden of taxes; the slaves and workers of the imperial city might protest and even revolt. While the imperial rulers could collect enough money to pay and hold the army, groans and protests were alike futile. Exploitation continued. Law was enforced. Order was preserved.

About 1400 B.C., after the long and successful reign of Thutmose III, "The Nile, from the Delta to the cataracts, was now alive with the freight of all the world, which flowed into it from the Red Sea fleets and from long caravans passing back and forth through the Isthmus of Suez. . . . Parallel with the land traffic

through the Isthmus were the routes of commerce on the Mediterranean, thickly dotted with the richly laden galleys of Phoenicia, converging upon the Delta from all quarters." [45]

During the reign of law and order that accompanied Roman supremacy, "money business and banking affairs became almost the exclusive privilege of Italy and above all of Rome, as most of the coined money was concentrated in the hands of the Roman capitalists." [46] Under Augustus, Italy was the richest land in the empire. The production of manufactured goods was concentrated at a few points. "The rest of the empire produced mostly raw material." [47]

World resources are exploited for the profit of the rulers at the imperial nucleus. They receive the first fruits. Since the world is paying them tribute, they are always in a superior economic position which enables them to buy what they please with their surplus wealth. The imperial nucleus thus becomes the world wealth centre.

§40. EXPLOITERS AND EXPLOITED

The imperial world is divided into tribute collectors and tribute payers. The imperial business class receives the tribute of the world, spends what it must or what it will on its overhead and on its luxuries, makes additional investments in the provinces, and collects fresh stores of unearned income. Centralized ownership of the agricultural land and of natural resources, the monopoly over cash and credit, the manipulation of

[45] Breasted, *Cambridge Ancient History*, Vol. II, p. 97.
[46] Rostovtzev, *Social and Economic History of the Roman Empire*, p. 36.
[47] *Ibid.*, p. 74.

financial and business exploitation, drain the economic surplus of the world into this one centre.

At the imperial centre the ruling class lives at the banker level. Luxury abounds. An owning, ruling class, supported on parasitic income, fills its cup of life and enjoyment to the brim.

The day has passed when the members of the ruling class work or fight. Myriads of slaves, serfs or ill-paid wage earners do the work; provincials or mercenaries do the fighting; business managers, stewards and officials do the trading. Members of the imperial ruling class are the money-lenders; the investors; the land-owners; the idle rich; the politicians, living on the cream of a world built out of labor exploitation and oppression.

Imperialists collect, profiteer, enjoy. The empire pays the bill. The local middle classes are squeezed out. The farmers are driven from the land in order that the rich may invest in it and work it on a large scale with slave or serf labor. Taxes and tribute flow to the imperial centre from the surplus created by the labor of farm hands, herdsmen, artisans, who live humbly and work hard.

Thus the prosperity at the centre of imperial power is maintained upon the surplus produced by a very large number of workers in the provinces. It is the product of a very highly organized system of exploitation.

But it is impossible to maintain so elaborate a system of exploitation without a great bureaucratic machine. If the taxes of the whole Mediterranean world are to be paid into the Roman treasury, the whole Mediterranean world must be covered by a network of tax-gathering machinery and protected by an army. Laws are passed and enforced from the centre of im-

perial power. The interests of the imperial ruling class are the interests that shape themselves into imperial policy.

Such periods of imperial supremacy, with their law and order, their parasitism and exploitation, have succeeded one another as imperial ruling classes have thrust themselves up to the surface of world life. Time after time imperial centres have been established by the domination of one profit-making class over the remainder of the known world. And as often have these centres disappeared utterly, leaving behind them only the physical traces of their former greatness.

Philosophers and historians have pondered much over this phenomenon. Numerous explanations have been advanced to cover them. By what process does such a centre of wealth and power as that set up in Thebes or Babylon or Rome disintegrate and fall to pieces?

§41. DISINTEGRATION AND DISSOLUTION

The imperial cycle moves from the building of an imperial nucleus, through expansion, the elimination of rivals and world supremacy to the disintegration of the imperial structure. In the course of each great imperial cycle the nucleus of the world empire has dissolved, leaving in its place an economy based on village agriculture, loosely tied together by commercial centres.

Great stress has been laid by historians on the wastefulness, corruption, laxity and immorality at the imperial centres, as though they were the causes of imperial dissolution. Causes? They are merely the surface indications of certain stages in the social process.

Disintegration has overtaken all the great historic empires through a sequence of social changes that is

part of the structure of the imperial cycle. From the local tribe or clan and the agricultural village to the victorious and dominant world empire is a long road, but one that is so plainly marked that it can scarcely be mistaken. Then comes the turning point, and from the world empire back to the agricultural village, the road is just as clearly marked.

Imperial disintegration may be described in terms of five groups of forces: (1) urbanization; (2) imperial overhead costs; (3) civil war; (4) foreign war; (5) colonial revolt. All five are integral phases of the imperial cycle. Thus, within its own structure, imperialism carries the seeds of its own destruction.

§42. URBANIZATION

Urbanization (concentration of the populations in cities) has been an outstanding characteristic of all imperial cycles. Urbanization is inevitable, since the unit of imperial organization is the commercial city. The movement away from tribal and village economy toward commercial economy is a movement in the direction of city life. City building is therefore an initial phase of the imperial process.

Economically, urbanization may be summarized in this way: (1) food and raw materials are brought to the city; (2) they are paid for with manufactured goods, with taxes wrung from the countryside, or with plunder gained in war; (3) the profit is used for the benefit of the city—to maintain its high standards of living, to construct its buildings, pave its streets, provide its public services, organize its military machine; (4) the population of the city is increased by attracting the best elements from the countryside and by bringing in slaves and artisans to do the necessary work; (5) more food

and raw materials are brought in to feed the increased population, provide it with work, and enable the city to pay, with manufactured goods, for the increased quantities of food and raw materials it consumes. With minor variations this economic program has been followed by imperial urban centres for at least four thousand years.

There were, to be sure, urban centres that were not primarily commercial in character. Such were the political capitals of some early agricultural empires. Once the imperial process was well established, however, the commercial centre replaced the political capital as the centre of wealth and power. Even in the Oriental empires, with their great palace cities, there were important economic elements. The treasury of the empire was in the palace city. Economic enterprises, such as building, the manufacture of arms, the provisioning of the temple and the imperial household, were carried on there. To achieve these ends, goods were imported from all over the empire, so that, in effect, the palace also imported food and raw materials, made up finished goods and organized a military machine.

Egyptian, Assyrian, Babylonian, Aegean, Phoenician, Greek and Roman imperial developments all centred in cities. Rostovtzev lists the chief cities in the Roman Empire, both East and West. In all he names fifty-six.[48]

Imperialism concentrates economic surplus in the urban centre and devotes it to: (1) defense; (2) productive building; (3) unproductive building; (4) conspicuous consumption; (5) bread and circuses; (6) decoration and culture.

Defense is an essential phase of urban life. Wealth,

[48] Rostovtzev, *Social and Economic History of the Roman Empire*, pp. 132-3.

accumulated at one point, attracts marauders, nomads, the citizens of rival cities. If the wealth is to be protected and the city to survive, it must have a wall; a supply of arms; guards. In some instances—such as the great wall of China, the wall built by the Egyptians between the Red Sea and the Mediterranean, the Wall of Bur-Sin (2389 B.C.) between the Tigris and the Euphrates—in addition to walls about each city, vast sections of territory were walled off. The building and maintenance of these defenses ate up huge quantities of economic surplus. The richer and larger the urban centre, the more expensive was wall-building.

Walls merely protected what was inside the empire or the imperial city. At the centres of imperial power building took place on a vast scale. Some of this building was productive; much of it was unproductive.

Productive building includes ports and harbors; docks, warehouses, market-places, markets; transit and irrigation canals; ships; roads; living quarters. Palace and temple construction were in part productive, since many of the imperial business offices were located in these structures.

Port and harbor construction, the building of market facilities, and shipbuilding were carried on in all of the commercial centres. Canal building was almost equally important because it facilitated transportation at the same time that it improved agriculture. The early eastern empires were located in river valleys, subject to annual floods. Since the life and surplus of the community depended on inundation and on flood control, water handling was one of the chief economic problems.

Another principal objective of the imperial expenditure is road building. Tribal and agricultural economy is usually roadless. Urbanization and the growth of

commerce made roads desirable. Imperial organization and defense make them indispensable.

Stone and cement roads were built in Crete more than four thousand years ago. Roman roads and bridges were so well constructed that some of them are still used. They were built of stone and cement and surfaced with hard flat stones. In Sicily there were over one thousand miles of these Roman roads; in Sardinia a like amount. In Gaul alone, thirteen thousand miles of Roman roads have been identified.

In addition to these forms of productive building, imperial cities did an immense amount of building that was unproductive. Most palace and temple building would probably fall in the unproductive class, although both palaces and temples were used as storehouses and as centres for business transactions. Still, the costly materials and the expensive decorations of palaces and temples cannot be described as productive building, and it was the gold, precious stones and rare woods for temple and palace decoration for which a large part of the imperial economic surplus was spent. Augustus typified this attitude when he boasted that he had found Rome a city of brick and left it a city of marble. Pericles also used the great public treasuries for unproductive building. The Egyptian pyramids, sphinxes, obelisks and tombs, largely unproductive, consumed an immense amount of economic surplus. The Phoenician cities, which turned their surplus into productive channels, are the exception. Imperial surplus in classical times was generally used to protect, to safeguard, to beautify and to dignify rather than to enrich through the channels of industry or commerce.

Whatever may have been the proportion of construction that had a productive character, the vast amount

of building at Ur, Thebes, Babylon, Athens, Rome and other imperial cities stimulated both commerce and industry. Raw materials were brought from the corners of the earth. Skilled artisans were trained and employed in great numbers. Millions of slaves labored through centuries. The feeding, housing and equipping of these workers kept traders, manufacturers, contractors and officials busy.

Urbanization meant construction. Whether the building was productive or unproductive, it provided a method for concentrating surplus wealth; stimulated productive activities, both at the imperial centre and throughout the empire; enlarged and greatly enriched the professional and business classes, and speedily became a depository of treasure that was coveted and sought after by barbarians and by rival imperial cities.

Inevitably, urbanization involved wealth concentration. First the wealth and income of the empire were concentrated in the imperial city: Thebes, Babylon, Rome; second, it was concentrated in the cities as opposed to the rural areas; third, it was concentrated in the hands of the owning ruling class in the cities, and particularly in the imperial city.

Wealth and income flowed into the public treasury of the imperial city and into the private pocketbooks of the rulers. Wealthy people from other parts of the empire gravitated toward the imperial city. Extravagant homes were built. Costly food and clothing were consumed. Luxuries were in great demand. An extravagant standard of conspicuous consumption was maintained. Rare commodities from the whole world filled the homes of the rich, and the demands for luxuries diverted a considerable portion of wealth into these unproductive channels.

High taxes, rents and profits, necessary to maintain the extravagant life of the wealthy class in the cities, drove the farmers from their land and concentrated an army of destitute, turbulent, unemployed humanity in the slums. Dispossessed farmers; artisans, lured to the city by the promise of high wages; and slaves made up the plebeian masses, who were given bread and circuses, and who became a source of crying discontent and mass revolt.

Thus there arose a centre of wealth and culture, with beautiful buildings, theatres, festivals, literature, philosophy, art, with new wants and a greatly expanded home market. Within the walls of the culture centre, supporting it with one hand and reaching up the other hand to threaten it and tear it down, were the exploited masses,—the poverty that lined the wealth and power of the rich.

Surplus wealth, concentrated through the process of commercialization and urbanization, was diverted in part to productive and in part to unproductive uses. The ownership of this wealth, and the income from it, centred in the imperial capital; in the cities generally; in the hands of a small and very rich owning class that lived in extravagant and frequently idle luxury on the labor of artisan, serf and slave masses.

§43. IMPERIAL OVERHEAD

City life is an essential part of the imperial process. It is also one cause of the increase of imperial overhead.

Commercial cities are small affairs in the beginning. They can be personally handled like any small organization or business. World empires, however, involve a bureaucratic machine with a constant overhead cost made up of: (1) the cost—direct and indirect—of

maintaining parasite classes; (2) the diversion of large portions of the imperial income to the construction and maintenance of unproductive buildings; (3) the costs of the military organization and of the bureaucratic machine.

The parasitic classes are a constant charge on the imperial income. They exist all along the social scale. At the one extreme are the idle rich. At the other extreme are the idle poor. Between are the hordes of confidence men, speculators, operators, gamblers, promoters, prostitutes, thieves, sycophants.

The idle rich are a constantly growing charge on the imperial income. The greater the concentration of imperial wealth, the richer does this class become. Not only do the members of this class consume more than they produce, but the cost of their per person consumption is far greater than the cost of the per person consumption among the workers. In the later stages of the imperial cycle the idle rich are either owners of land, investors in business, or both, and their property entitles them to live without working on the labor of the producers. At this stage of the imperial cycle, "law and order" means, primarily, the guarantee to the idle rich of an uninterrupted flow of unearned income.

The proportion of the national income which is used to supply the extravagant standards of food, clothing, houses and amusement demanded by the idle rich is not fixed. But it undoubtedly rises as wealth and living standards increase.

Both among the Greeks and the Romans the propertied classes, which had been active at an earlier period, settled down, in the later stages of the imperial cycle, to the enjoyment of unearned income. The richer members of the propertied class learned that it was easier

and more comfortable to live on the labor of tenants, slaves and artisans than it was to work. Since land ownership was the simplest and most respectable method of parasitic living, the successful business men bought the land from the farmers, placed overseers in charge, and farmed with tenants and slaves. So parasitic did the Roman propertied classes become that they would not even fight for the defense of their property. Instead, they relied upon the dispossessed farmer, the unemployed artisan, and finally on provincials and mercenaries. Thus the parasite class lived without producing.

The economic process which concentrated wealth and property in the hands of the idle rich, drove farmers into the cities to make up the masses of idle poor. These farmers had no trades. They could no longer find a place on the land. They swarmed in frightful tenements; lived from hand to mouth; propagated indiscriminately; died of pestilence or revolted against their dispossessors. But in any case, they had to be fed.

The hordes of speculators, thieves, sycophants, increased with the growth of imperial wealth. The carcass lay at the centre of imperial power. Vultures flocked from every point of the compass to enjoy the feast.

Idle rich, idle poor, nondescript parasites ate, wore clothes, lived in houses, demanded comforts and luxuries. Their wants were supplied by the labor of millions of slaves, serfs, tenant farmers and artisans who lived, for the most part, in the provinces, contributing each year a portion of the product which their labor created to support the parasitism at the heart of the empire.

With the growth of imperial splendor, converting cities of brick into cities of marble, the capital costs and upkeep costs of society both increase. The imperial state has few productive enterprises. The marble must be bought and put in place out of current state income, derived, in the main, from the taxation of the provinces, since the imperial city, as a unit, runs at a heavy deficit.

As cities grow—as urbanization absorbs a larger and larger portion of those living in the imperial nucleus, a larger amount of income is devoted to non-capital expenditures: tombs, temples, palaces, baths, circuses, theatres, monuments. Once these structures are erected, their upkeep is a charge on current income.

The very process of urbanization—the extension of street-paving, of sewage, of water supply, defensive walls—is a heavy charge which cannot be met except by further taxation of the provincials or by the increase of the labor of artisans and slaves. The propertied class does not devote its energy to productive activity. The whole burden of imperial overhead falls upon the workers, at home and in the provinces.

The grander, the larger, and the more numerous the urban centres within the imperial nucleus, the heavier the drain on imperial resources, the greater the load which the producing classes must carry. The whips of the task-masters must crack more sharply; the burdens on bent backs must increase.

The military machine is the third item of imperial overhead. In the early stages of city growth, each citizen was a potential soldier. In peace time he worked; in war time he fought. One of the earliest forms of specialization that appears with urbanization is the professional soldier; the standing army; and later

the navy. Wars of conquest; wars with imperial rivals; colonial revolt; revolts of serfs and slaves occupy the time and energy of the professional military classes. War-making is no longer an activity that busy citizens turn to when they must. It is a regular occupation to which citizens devote their time as they would to commerce or to any of the other professions. There is always plenty of work for the imperial army.

Army costs are prodigious. Military and naval operations have probably eaten up a larger share of imperial income than any other single item in the budget. Indeed, very frequently, the costs of military operations are greater than all other costs combined. Breasted sums up the matter thus: "To maintain the army was the chief work of the state. The state was a vast military machine." [49] To be sure, the wars of conquest provided additional raw materials, broadened trade opportunities and produced more tribute and taxes,—but at a ruinous cost. In one empire after another war costs have eaten out economic vitality. Rostovtzev believes that the wars of Trajan brought the empire to the verge of ruin. The symptoms of disaster appeared in the depopulation of Italy and the decline of Italian agriculture.[50]

A fourth form of imperial overhead is the state machine itself,—the central bureaucracy built up through generations of imperial organization. The older and the more extensive the empire, the larger and the more expensive does the bureaucracy tend to become. This is particularly true where the imperial activities are highly centralized.

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[49] Breasted, *Ancient Times*, p. 157.

[50] Rostovtzev, *Social and Economic History of the Roman Empire*, p. 311.

Corruption creeps into the bureaucratic machine as a matter of course. So does a spy system, red tape, and inefficiency. The machine grows unwieldy. It must be constantly overhauled and refitted. Egyptian, Assyrian and Roman emperors spent a great deal of their time in rehabilitating the bureaucracy.

Bureaucratic corruption and inefficiency are not the chief difficulty however. The chief difficulty with the bureaucracy is the bureaucracy: an expensive structure for accomplishing results that would frequently accomplish themselves; a mechanism that consumes the bulk of its energy in keeping itself going.

Imperial overhead grows with the empire. The support of parasitic classes, unproductive construction, the military machine, the bureaucracy, all involve an outlay greater than the income which they provide. All are liabilities. Such charges can be met only by fresh conquests; by heavier exactions; by increased taxation; all of which means, of necessity, a disproportionate increase in imperial overhead.

Here is the basic economic contradiction of imperialism: the cost of conquering, exploiting, and of maintaining the imperial machine has always exceeded the regular income from conquest and exploitation. Empires have been run at a growing deficit, which invariably drives them into bankruptcy.

Temporarily, this deficit is hidden by fresh conquests; by plunder; by increasing exactions of tribute. Finally, however, the cat can no longer be kept in the bag, and the imperial system goes into the hands of its receivers.

Moralists have sought the cause of imperial disintegration in "immorality." It is unnecessary to turn to anything so intangible. An auditor's report on imperial

income and outgo, on imperial assets and liabilities, would furnish all the evidence necessary to account for the bankruptcy and dissolution of empire.

§44. CIVIL WAR

Civil war is a third factor in imperial disintegration. Conflicts between individuals take place under any form of society. The basis for civil war lies deeper, however, in the form of the economic and social structure.

Enough has already been said about the class and caste divisions underlying the life of the great empires. The landowners, the business men, the priests and the bureaucrats live on the labor of great numbers of artisans and slaves.

Civil war occurs usually at one of two points; either at the point of division between groups of the ruling class, or at the point where some of the exploited elements in the population rebel. Frequently both divisions in the ruling class and rebellion among the exploited are responsible for civil war.

Divisions in the ruling class are frequent. No class is homogeneous. Its component elements are always at odds over minor issues. When the issues become major, civil war is likely to occur.

Many factors account for divisions in the ruling class. Personal ambition is an important element. The army is a potent force. A successful general, with a victorious army at his back, has attempted to seize control of the government on many occasions. Again, the priest craft has frequently fallen out with the civil rulers and forced a division in ruling class ranks. The hope of gaining wealth and power by direct action is a constant temptation in a society where the man who be-

comes master has limitless wealth and income at his disposal.

More fundamental are the civil wars based on class divisions.

The shift of power from the landholders to the business class is frequently accompanied by civil war. The first civil war in Rome was, in the main, such a struggle. After it came the Augustan age,—the golden age of the Roman business class. Roman society was stratified into classes that were almost castes.[51] Once they had gained power, the members of the bourgeoisie defended their privileges fiercely. The lower orders were bitterly exploited. The business interests robbed and ruled.

Exploitation never goes entirely unchallenged, however. The sharp class divisions developing through the imperial cycle lead to the revolt of the exploited classes. These revolts occurred in Egypt, in Greece, in Rome. Besides the external wars waged by Greek cities, there was "an unceasing class warfare, which originated in the steady growth of a well-to-do bourgeois class and the corresponding impoverishment of the masses."[52] The same thing was true at a somewhat later period in Rome when "the society of the empire became more and more divided into two classes or castes—the bourgeoisie and the masses."[53] This struggle was further complicated in Rome by the conflict between the low standards of country life and the high standards of city life. In this struggle, "the bourgeoisie was terrified and decimated; the cities were brought to the verge of ruin."[54] Besides these conflicts in all of the great his-

[51] Rostovtzev, *Social and Economic History of the Roman Empire*, p. 473.
[52] *Ibid.*, p. 2.
[53] *Ibid.*, p. ix.
[54] *Ibid.*, p. 452.

toric empires were the revolts of the slaves. Ward in *The Ancient Lowly* has collected an immense amount of material bearing on this phase of civil war.

Where these civil wars are easily won, they serve as stimuli to the victorious class. This has been particularly true of the conflicts between the bourgeoisie and the landed aristocracy. The bourgeoisie, with an economic system greatly superior to that of the land owners, was able to substitute trade economy for agrarian economy, with comparatively slight social losses.

On the other hand, civil wars arising out of divisions in the ruling class, and out of the revolts of peasants, serfs and slaves, with grievances but with no alternative system of economy, weaken and frequently destroy the society in which they take place. Marx notes that open class struggle ends "either in a revolutionary reconstruction of society at large, or in the common ruin of the contending classes." [55] In any case, they are a heavy charge on imperial income and a continual challenge to imperial stability.

§45. FOREIGN WAR

Foreign wars are a fourth cause of the disintegration of empire. They are one of the most persistently recurring factors in imperial history.

Foreign wars are of three chief classes: (1) wars of conquest; (2) wars against imperial rivals or potential rivals; (3) wars against nomad hordes representing a lower cultural stage than that of the empires.

Conquest is the normal means of imperial expansion. Empires are built and broadened by the army and the navy. Raw materials, resources and movable wealth

[55] Marx, *Communist Manifesto*, Part I.

are secured; trade routes are monopolized; markets are opened; slaves are taken; additional income is secured to meet the rising costs of imperialism. It is through conquest that the "world" is subjugated for the purposes of imperial exploitation.

Rivals or potential rivals for the control of economic opportunity are destroyed by the imperial military machine, or else they are subjugated and compelled to pay tribute to the new world empire.

Nomadism is a third cause of foreign war. Until the invention of gunpowder, world empires suffered more severely from nomadic invasions than from any other foreign force.

Empires are based on commerce, which arises, in its turn, out of agriculture. Both commerce and agriculture imply a settled population.

Hunters and herdsmen are free of any permanent habitat. They can go wherever they can find game, grass, water and plunder. During the era of written history Asiatic nomads periodically "gathered themselves together like locusts, and burst forth to every point of the compass in storms of decivilizing fury with which there is nothing in history to compare." [56]

An examination of imperial accounts at any advanced stage of development would probably show that the preparations for and the prosecution of foreign wars constituted the largest single charge on imperial income and that foreign war was the most important single cause of the imperial deficit.

§46. COLONIAL REVOLT

Colonial revolts are another disintegrating factor in the life of empires.

[56] Cowan, *Master-Clues in World History*, p. 64.

It is one thing to subjugate and plunder a weak neighboring territory. It is quite another matter to compel the inhabitants of this territory to pay an annual tribute for decades or centuries. Yet this is the task of empire: first to conquer; then to exploit.

Again it is easy for a rich ruling class in a powerful commercial centre to hold one weak neighbor in subjection. But when the provinces of the empire are numbered by the score; when hundreds of tribes and nationalities are subject to the one centre; when the distant portions of the imperial domain are separated by weeks or months of marching and sailing from the imperial nucleus, the tasks which the imperial ruling class must assume are stupendous.

Two main forces run counter to the work of imperial exploitation. One is the disinclination of a population to be exploited by foreigners. The presence of foreign officials and soldiers adds to this feeling of opposition. The other force is the growth of trade, manufacturing and banking in the colonies and dependencies, and the rise of a local business class that demands economic and, consequently, political independence. The first factor is evident enough. The second requires a word of comment.

Trade, industry and banking migrate from the imperial centre to the conquered territory. The richer the conquered territory in resources and trade opportunities, the more rapid the migration. The export of goods and of capital and the migration of artisans establish economic systems in the colonies and dependencies that are potential rivals of the parent empire. Some of the Greek and Phoenician colonies had outdistanced their parent cities before they were conquered and subjugated by Rome.

Roman colonization in Britain, France, Spain and Germany resulted in the rapid development of a local business class. Indeed, this western portion of the Roman world was in some respects—in mineral wealth, for example—richer than the eastern portion. The western Mediterranean was a world in itself, restive at the demands of the imperial nucleus and ready to assert its independence of imperial restrictions.

Imperial history is filled with stories of colonial revolt. Such revolts take place even during the era of imperial world supremacy. They are particularly notable in an era of imperial decline.

The economic, political and military efforts to hold the colonies and dependencies in line rack the imperial structure to its foundations. Not only are these operations costly—a charge on imperial income—but they lead to the building of a bureaucratic and military machine, with its heavy unproductive expenditures.

§47. IMPERIAL DECAY

During the supremacy of the world empire "law and order" prevail. Property is protected. The masses are kept at work, or at least kept fed and amused. Colonies are held in line. The imperial world runs smoothly and efficiently. Exploitation is safeguarded everywhere.

The process of imperial disintegration is marked by the loosening of these bonds. Banditry increases. Pirates infest the seas. The propertied classes cease to work or to fight. Mercenary troops are unreliable, troublesome, expensive. Civil war weakens the imperial structure. Barbarian hordes hurl themselves against it. Credit is withdrawn. Interest rates rise. Trade diminishes. Manufacturing decreases. Dispos-

sessed farmers join unemployed artisans in their clamor for food. The grip of the imperial ruling class is loosened. The empire is disintegrating economically and politically.

What was the course of economic events during the later days of the Roman Empire? "The general productivity of the Empire constantly decreased. Larger and larger tracts of land ran to waste. Irrigation and drainage works were neglected. . . . The exchange of goods became more and more irregular, and the various parts of the Empire came increasingly to depend on what they themselves produced. Hence the frequent occurrence of famine; hence, too, the decay of industry, which worked more and more for a small local group of consumers, whose demand was confined to the cheapest and plainest products. Naturally every home, large and small, endeavored to become as self-supporting as possible, and home production flourished as it had never done before." [57]

The Empire had been built up from home industry and village life to an economic and political unit that embraced the known world. Now it was rapidly returning to the earlier forms of home industry and village economy.

Like a chemical compound, imperial society breaks up into its component elements,—the agricultural village and the small trading centre. The structure of the world society disappears. In its place grows up the narrow provincial life of a multitude of tiny, economically self-sufficient and politically sovereign geographic areas.

In the third century A.D. the barbarians overran

[57] Rostovtzev, *Social and Economic History of the Roman Empire*, pp. 424-5.

Gaul. Many of the finest cities were burned. When they were rebuilt the stones from temples and palaces were used to make a wall around each city. Under the Empire, Roman cities were not walled. Rome had her wall around the Empire, but Rome had lost her grip; the Empire was breaking; henceforth each city must protect itself.[58]

§48. THE IMPERIAL CYCLE

Empires, in the course of their development from the agricultural village to the commercial city, follow this cycle or pattern, through an era of conquest and exploitation, back again to the village. The cycle has been traversed time after time. Details vary. The play of social forces and the sequence of historic events remain practically the same.

First, the imperial nucleus is established. Local groups of herdsmen or landworkers are gradually organized about some economic or defense or cultural point of advantage into a unit based on trade,—a trading centre or city. Trade proves more profitable than agriculture; grows rapidly; replaces agriculture as the most lucrative source of livelihood. Trade is carried on by a trading (business) class, which, through its control of economic surplus, is soon able to dominate the agricultural class and to establish new forms of exploitation against which the workers sooner or later revolt.

Second, having gained supremacy, usually through some form of social revolution and dictatorship, the business class, with its growing foreign interests, follows a policy of expansion, based on conquest and exploitation of foreign resources, raw materials and food,

[58] Breasted, *Ancient Times,* pp. 674-5.

trade routes and markets. Colonial revolt accompanies this policy of business class expansion. Through centuries of intense struggle, the business class establishes itself as the dominating force in a commercial centre (or city) with a network of foreign economic interests.

Third, while building this nucleus of empire, the business class has been in constant competition with similar groups, building similar imperial nuclei wherever an economic or a defense advantage made such a development possible. Since the interests of the business class lie, necessarily, in foreign exploitation, this competition is inevitable, and includes war. Through economic competition and war, the rivals for the opportunity to conquer and exploit the world are eliminated, until one world empire remains.

Fourth, this successful contestant for world supremacy preserves law and order, concentrates wealth, and divides the world into a tribute-receiving centre and a tribute-paying circumference.

Fifth, concentration in cities is an essential phase of this process. These cities import raw materials and food for which they must pay, either with manufactures or by further plundering. The overhead costs of the empire grow until they eat up the entire imperial income: costs of carrying parasite classes; costs of constructing and maintaining unproductive wealth forms; costs of the war machine; costs of the bureaucratic machine. Civil wars occur. Foreign wars continue. Colonies revolt. The imperial structure is weakened, then dissolved into its component elements: the agricultural village (production) and the market-place (exchange).

These stages are clearly marked. They represent a sequence that seems to have recurred with striking similarity in one imperial cycle after another.

§49. WHAT IS THE MODERN CYCLE?

The sequence of steps thus far enumerated as characterizing the rise and decline of empires has apparently been true of early imperial history. How far has the same sequence been followed in modern times? Is the pattern of the older imperial cycle also the pattern of the modern imperial cycle?

Theoretically, the pattern should be more sharply defined in modern times than it was in classical times because:

A. Imperialism (conquest and exploitation) is an essential phase of business for profit.
B. During modern times business for profit has advanced to levels of efficiency never before attained.
C. Granted these premises, the modern epoch provides a greater economic drive toward imperialism than any of its predecessors.
D. Hence the imperial pattern, traceable in ancient and classical times, should be even more sharply and clearly defined in modern times.

Do historic facts bear out this theoretical hypothesis?

Historians usually apply the term "modern times" to the era beginning with the Crusades. Since conquest and exploitation have taken place during this period on a world-wide scale, modern times are evidently imperial times. Examine modern history in some detail. Apply to it the yardstick of measurement already used in evaluating ancient and classical imperialism:

A. The building of imperial nuclei.
B. Expansion.

C. The survival struggle of empires.
D. Supremacy and world rule by the winner of the imperial contest.
E. Imperial disintegration and dissolution.

Are these characteristics of ancient and classical imperialism present to-day? To what extent has the sweep of modern history followed the pattern of forces and the sequence of events that repeated themselves in the ancient and in the classical empires?

§50. RETURN TO THE SOIL

As the Roman Empire disintegrated, Europe returned to pastoral and agricultural village life. Trade declined. Centralized production became unprofitable as distribution grew more difficult; credit was restricted. The vast structure of mining, manufactures, transportation, wholesaling, banking, which had spread its network over the territories surrounding the Mediterranean—the Roman world—disappeared. In its place reappeared the self-sustaining economic area. Each household or manor or village strove to produce what it needed, and to rely upon its own products for survival.

Communication between distant places practically ceased. There was no postal system. Bridges were torn down. Land travel became impossible except for foot-passengers or mounted travelers. These were harassed by tolls, imposts, warring feudal lords, and robber bands.

Economic decentralization was accompanied by political decentralization.

Day estimates that in France alone in the tenth century, the number of "little governments" exceeded

10,000.[59] Abbott reports "four hundred and more sovereign states and free cities" in the territory included in modern Germany.[60] This was in 1648, after much unification had taken place. Even the British Isles, which were more unified than any other western European area, were still divided between warring factions in England, while Scotland, Ireland and Wales were virtually independent.

Literally, Rome's "world" was gone. In its place was a Europe consisting, economically, of tens of thousands of practically self-sufficient manors and agricultural villages; of a few trading cities; of a narrow range of hand-craft production; of almost no organized commerce; of barter economy.

Politically, Europe was minutely subdivided into more or less independent, armed baronies, duchies, principalities, kingdoms and free cities. Theoretically, the Holy Roman Empire was a political entity. Practically, each local political group looked after its own interests.

After centuries of Roman "civilization" and centralization, Europe was an agglomeration of local communities, living chiefly on the soil.

§51. UNIFICATION: THE FEUDAL SYSTEM

Roman imperial society, like that of its imperial predecessors, had dissolved into its component elements: the self-sufficient manor or village and the small trading centre. Reintegration was well under way at the time of the Crusades. Villages and manors were grouped under a highly centralized political system that gave the landlords control of agricultural land, forests,

[59] Day, *History of Commerce*, p. 33.
[60] Abbott, *Expansion of Europe*, Vol. II, p. 3.

mines, rivers, roads, market towns, fairs,—the whole range of economic, political and social life. These landlords fought constantly among themselves, conquering and annexing as much territory as their strength and ingenuity made possible.

Feudal society gradually concentrated itself in larger units. By the beginning of the sixteenth century, besides numerous petty political areas, there were in Europe a number of powerful states such as Spain, France, England, Russia and Austria, warring incessantly in an effort to gain increments of territory and power.

Side by side with the self-sufficient agricultural society, which was the economic basis of feudalism, were the trading cities, some of them dating from Roman times. Others began as fairs and became permanent trading centres. On every hand they were hampered and harassed by feudal demands and exactions.

The trading cities, like the feudal nobles, were compelled to unite for self-protection into city leagues. "The greatest of these leagues was the Hanseatic, formed during the thirteenth century and reaching its height in the fourteenth. Its power extended over the whole North of Germany and into all the countries bordering on the Baltic and North Seas. Almost a nation itself in its organization and resources, it dealt with states on equal terms and protected its commercial rights with great fleets. The League of the Rhine Cities, almost as powerful . . . was an equally effective agent in keeping the peace and protecting commerce." [61]

Adams contrasts the great decentralization of continental Europe with the comparative unification of

[61] Adams, *Civilization During the Middle Ages*, pp. 297-8.

England, where a central government enforced national law sufficiently to prevent local authorities from imposing on commerce the restrictions which were so universal on the continent. At the same time a large measure of self government existed in the townships and towns.[62] Here was a potential nucleus of imperial power far more unified than any other in Europe.

Localism gradually gave way before the movement for unification. The ruling classes in Europe—both feudal and commercial were building the nuclei of the modern European empires. The movement was slow. Its chief impetus came from the growth of trade and the great opportunities for enrichment that the growth of trade afforded.

§52. THE GROWTH OF TRADE

Trade grew slowly. Despite the lack of roads, the absence of money, the self-sufficiency of the agricultural village, the feudal tolls and taxes, European commercial life gained headway.

Trade had never entirely disappeared from western Europe after the dissolution of the Roman Empire. All through the middle ages there was some mineral production for the general market; certain cities specialized in the manufacture of iron and steel products, leather goods, textiles; a few important trading cities remained. The monastaries were centres of economic activity.

During the eleventh, twelfth and thirteenth centuries, the internal trade of Europe slowly increased. Peddlers, pack on back, went from manor to manor and from village to village. Boats plied on the more important rivers. Merchant convoys frequented the trade

[62] Adams, *Civilization During the Middle Ages,* pp. 298-9.

routes from the East and the South. In France, Germany, and England, fairs, held at regular seasons, gave an opportunity for wholesale and retail trade. The North of Europe produced grain, hides, wool, tallow, salt, meat, fish, flax, hemp, timber, furs, tin, and other metals. There was some manufacturing in central European cities. Commodities were exchanged for articles from the East.

The Crusades were a factor of great importance in stimulating the European trade revival. During the tenth, eleventh and twelfth centuries, hundreds of thousands of pilgrims and Crusaders went from their homes in western Europe to some point in eastern Europe or Asia, and of these, many returned after having traveled and lived for years in contact with an eastern culture which included the use of a variety of comforts and luxuries that were but little known in western Europe.

The Crusaders and their provisions were carried by the Venetian, Genoese, and other Christian merchants, who traded with the East, and for whom the revenues of this extensive eastward movement of passengers and goods meant returned cargoes of eastern goods at lessened net cost. Then, too, the Crusades enabled the merchants from Italian cities to secure advantageous commercial concessions and treaties from the Turks.

Agricultural Europe was an excellent market for Asiatic produce. At the time of the First Crusade "chimneys, windows of glass, bed-room and table furniture, carpets, clocks, artificial lights . . . began to make their appearance in the houses of the rich." [63] Spices came from the East. Fine textiles were also imported. Eastern craftsmen worked in bone, ivory, leather, steel,

[63] Adams, *Civilization During the Middle Ages*, p. 280.

—producing wares that were in demand among the wealthiest Europeans.

Growing trade produced trading centres, in which, eventually, manufacturing and banking developed.

People moved from villages to towns. The towns were small. In England, during the thirteenth and fourteenth centuries, "the average size of the first class of towns was probably below 5,000 inhabitants; few had more than 10,000 and many had less than 1,000. On the continent, in the last centuries of the middle ages, even celebrated cities like Nuremberg and Strassburg, had not over 20,000 inhabitants." [64]

Towns were the trading units. Each town had its merchant guild. Venice, Ghent, Cologne, were really city states. Their merchants were therefore citizens of embryo nations.

Commercial towns, banded together into leagues, like the Hanseatic League or the Rhine League, became powerful factors in the direction of European affairs. Day uses the phrase "Hanseatic Commercial Empire" to describe the League and its activities.

The growth of trade was the dynamic force that drove medieval Europe toward a new form of economic and political organization. It broke down localism, destroyed the functional unity of the manor and the village through the stimulation of new wants and the introduction of a money economy, and converted important agricultural sections of feudal Europe into centres of mining, manufacturing, transport, trade and banking.

§53. TRADING CITIES AND THE BURGHER CLASS

Trade revival provided a growing volume of income

[64] Day, *History of Commerce*, p. 45.

for traders. Increased trade meant an increase in the strength and importance of trading centres (cities) and in the economic power of the trading class.

Trading interests had an immense economic advantage over feudal interests, since feudalism drew its revenues mainly from a primitive type of agriculture. The rent returns to landowners were relatively small and were usually paid either in services or else in kind. Feudal aristocrats, therefore, were never able to accumulate large quantities of cash.

Trade, on the other hand, was based on a money economy and its profits were relatively high. Single voyages sometimes yielded from 100 to 600 per cent. In the commercial centres of Germany and Italy interest rates on commercial undertakings after the thirteenth century fell to 10, 12, 15 and 17 per cent. In England and France, on the other hand, interest rates ranged from 15 to 80 per cent.[65] While the capital invested in agricultural land might double itself in a generation, capital invested in trade might double or treble itself within the year.

Economic surplus accumulated in the hands of the trading class. When feudal lords desired money to squander at court or spend on war, they went to the traders for loans. More than half of the assets of the Fugger family was in the form of loans in 1527. "They made fabulous profits, over 50 per cent a year, in prosperous periods," and "an average profit of over 30 per cent a year for over 30 years." [66] Day also comments on the rapid increase in the volume of loan capital. The Peruzzi, 1300 A.D., had a capital of about $800,000, ex-

[65] Boissonnade, *Life and Work in Medieval Europe,* p. 166.
[66] Day, *History of Commerce,* p. 153.

pressed in modern terms. The capital of the Medici (1440) was about $7,500,000; of the Fuggers, (1546) $40,000,000.[67]

Such vast funds of surplus wealth gave their possessors great political power. The rôle of the Medici is well known. Day reports that the Fuggers had "an immense influence on the politics of their time." [68] Cunningham writes: "The great London financiers and other royal creditors appear to have aimed at directing the economic policy of the realm and to have been fairly successful in forcing their views upon the crown. . . . From the time of Richard II onwards we can trace the existence in Parliament of a monied interest which gradually increased in influence until it at last succeeded in overbalancing the power of the landed gentry." [69]

Conflict between the business class and the landed interest developed first in Italy, Germany, the Netherlands, England. In Italy and Germany the struggle was long continued. In Holland and England it was fought out, in dramatic fashion, during the seventeenth century.

In the course of this struggle in England, the business interests achieved their first outstanding victory in a modern social revolution. The Commonwealth; Cromwell; 1642;—these events in English history correspond to the events that crippled the French landed aristocracy in the years following 1789. In the course of these bitter struggles, the landed aristocrats were driven from power, and the business men took their places as the masters of economic, political and cultural

[67] Day, *History of Commerce*, p. 153.
[68] *Ibid.*
[69] Cunningham, *Western Civilization*, Vol. II, p. 175.

affairs. In the Italian and German cities, in the Netherlands and in Great Britain, by the end of the fifteenth century, the business classes were firmly established as factors in the determination of public policy. By the end of the seventeenth century they dominated affairs in England and in Holland.

The growing power of the business classes was signalized by the adoption of policies that looked to the establishment of commercial and industrial monopolies and the subsidizing of business undertakings. Mercantilism was in reality a method of promoting merchant-class interests. During the seventeenth and eighteenth centuries it became the accepted formula for the conduct of European statecraft.

Mercantilism involved a reorganization in the type of the political state. Feudalism, the absolute rights of monarchs, the direction of public policy by landlords, gave way to the modern state, dominated by the needs of the business classes, and organized to promote their interests.

Trade economy had permanently replaced agrarian economy as the major force in directing public affairs. The business state had been erected on the ruins of the feudal state. Traders, bankers and manufacturers were in the saddle.

§54. NEW FORMS OF EXPLOITATION; MASS REVOLT

Before the rise of the trading centres and the free cities, serfs on feudal estates had few and simple wants, locally supplied. They had no money economy. For the most part they made little or no contact with the outside world.

The rise of trade, the establishment of free cities, the growth of money economy, the increase in prices,

all brought economic and social pressure on the agricultural population. Then, too, with the growth in the size of political units went an increase in the cost of wars; a rise in taxes; a growth of economic pressure on the feudal masses. Taine's *Ancient Régime* gives a picture of the condition among French peasants before the Revolution of 1789.

At the same time, the rise of trade and the development of manufacturing was producing a class of apprentices, clerks and wage-earners,—the fore-runners of the modern proletariat. As trade, manufacturing, mining, and transport were centralized and specialized, the number of wage-workers was correspondingly increased.

The masters used the power which came with their growing wealth to increase the pressure on the workers. The latter responded by organizing a determined struggle for freedom. In this struggle the peasants participated, but the chief centre was the commercial city.

Life and Work in Medieval Europe, by Boissonnade, is devoted very largely to descriptions of these struggles of the city workers for economic and political freedom. "From East to West, in the last half of the fourteenth century, the hurricane of revolution rose with violence on every side." [70] The workers were aiming at political power in order that they might "alleviate the fiscal and military charges which the bourgeoisie preferred to heap upon their shoulders, and to prevent capitalists and bourgeoisie from regulating the conditions of labor at their own will." [71] The author

[70] Boissonnade, *Life and Work in Medieval Europe,* p. 309.
[71] *Ibid.*

describes the last century of the middle ages as "the century of great urban revolutions." [72]

§55. WORKING BASES FOR EXPLOITATION AND EXPANSION

Through the five centuries that followed the Crusades, western Europe was transformed. Trade economy was replacing agricultural economy; economic surplus in the hands of the traders was rapidly increasing; population was shifting from the land to the towns; the trading class was replacing the land-owning class as the directing power in public affairs.

The unit of social life was shifting from the small, local, feudal manors, dukedoms and principalities to the rising nation-states,—hammered into working units under business-class direction and control.

On the one hand these nation-states were establishing an effective method of exploitation within the home territory. On the other hand they were providing for expansion beyond its boundaries.

§56. OUTSIDE INTERESTS OF THE BUSINESS CLASS

While the business men of Europe were fighting against the aristocrats for supremacy, they were pushing their trade to all corners of the globe. The East Indies, India and China were their chief objective, because it was from this territory that their most valuable goods were imported.

Between western Europe and the Far East lay the Mohammedan world. The Crusades resulted in some commercial agreements with the Turks, but after the defeat of St. Louis, who led the Crusade of 1248, the Turks pushed up their taxes and tariffs. The Turks continued their successes. Much of the western Euro-

[72] Boissonnade, *Life and Work in Medieval Europe*, p. 309.

pean trade in eastern goods passed through their territory. The Turks and the Italian traders, between them, held a monopoly of eastern trade.

The Portuguese were the first to break this trade monopoly. After years of adventure and exploration along the African coast, in 1497-9 Vasco da Gama rounded the Cape of Good Hope, reached the Indies, and returned to Lisbon over an all-water route. The Venetian-Turk monopoly of eastern trade was gone for ever, and into the treasure chests of Portugal poured a flood of wealth. Adams notes that "the Portuguese are said to have sold their spices at the time of their supremacy at a profit of at least 600 per cent." [73]

Such dazzling prizes stimulated Spanish, Dutch and English interests. Ships were fitted out and voyages of discovery followed one another in rapid succession. Columbus reached America in 1492. Six years later Magellan's expedition sailed around the globe.

The voyages and discoveries of the fifteenth and sixteenth centuries opened water routes from the Far East to western European markets. They also placed in the hands of Europeans the bullion reserves of India and the Americas.

Europe lacked precious metals. Her gold and silver mines had been worked for thousands of years, and were nearing exhaustion. The conquest of Mexico, of Peru, of Brazil, of India, gave the European conquerors accumulations of bullion and metal mines of very great value. From 1493 to 1640 Spain alone secured in the Americas about 875 tons of gold and 45,720 tons of silver, besides other metals and precious stones.[74] Beard

[73] Adams, *Civilization*, p. 284.
[74] Moon, *Imperialism*, p. 10.

states that the value of gold and silver obtained by Europe from the New World was $250,000 annually at the beginning of the sixteenth century and $1,400,000 at its close.[75]

Voyaging and discovering had one chief objective. Indeed it was the trading companies that carried on much of the actual colonization. French and British interests in India were established by trading companies. The London Company, chartered in 1606, founded Virginia; the Massachusetts Bay Company, incorporated in 1629, saved Plymouth; the Dutch West India Company, established in 1621, colonized Manhattan Island; the Swedish West India Company set up a colony in Delaware.

During the middle ages most European communities were economically self-sufficient. Before the Crusades ended business interests had spread a network of trade routes across Europe, and the Venetians, Genoese and Pisans were building their prosperity on trade with the Near East, Egypt and India. The voyages and discoveries of the fifteenth and sixteenth centuries extended these European trading interests to strategic points all over the globe. The outside interests of the European business class had become world interests.

§57. CONQUEST; PLUNDER; ANNEXATION; EXPLOITATION

The world search for economic advantage—for bullion; for valuable commodities; for markets—involved political consequences. Each European trading centre —Portugal, Spain, Holland, England—that discovered a source of economic advantage promptly laid claim to the territory in which it lay, and established an eco-

[75] Beard, *American Civilization*, Vol. I, p. 20.

nomic monopoly. The bullion, the valuable commodities, the market were closed to all comers.

The discovering nations set up a "colony,"—an assertion of exclusive political control over the new territory. Thus economic expansion led, as a matter of course, to political expansion. The machinery of the political state protected the broadening economic interests of its subjects.

Immediately after the voyages and discoveries of the late fifteenth and early sixteenth centuries, the whole world was divided, theoretically, between the two chief discovering nations: Portugal and Spain. In their respective spheres, these nations and their citizens could work their will.

The Pope, from Rome, gave them a free hand to annex the territory, enslave the natives, and to carry off the portable wealth. Nowhere, with minor and unimportant exceptions, were the native populations consulted.

Many of the natives received the white Europeans gladly, hospitably. Some were even reverential. White missionaries, traders and soldiers took advantage of this hospitality.

The missionaries denounced the local religions and "converted" the natives to Christianity.

The traders, by fair means or foul, secured from the natives the goods which they required. In the Spanish colonies, where mining was an essential part of colonization, the natives were forced to work in the mines.

The soldiers plundered and slaughtered on their own behalf or at the behest of the traders.

Where the natives could not be induced or coerced to do sufficient work, their labor was supplemented by the labor of African Negroes, stolen from their native land and sold, by European white men, into slavery.

Colonization, originally, implied only settlements along the coast or on the chief rivers. The lure of profit, offered by the bullion of Mexico and Peru, or by the furs of North America, led the Europeans far inland. Colonization came to mean control over hinterland as well as over coast land.

§58. COLONIAL REVOLT

With such a background of conquest and exploitation by the Europeans, colonial revolt was inevitable. Ill-treatment, coercion, oppression, exploitation could have only one possible result.

In these revolts, the local colonial ruling classes frequently formed a united front with the exploited native workers. From 1450 to 1750, European nations were asserting their right to control great portions of Asia, Africa and the Americas. From 1763 to 1825 virtually the whole of the Americas were involved in a movement which freed the North American colonies from British control and freed the Latin American colonies from the control of Spain and Portugal.

Except for the revolt in Haiti, which was at least in part a movement of black slaves against the system of slavery, the revolts in the Americas aimed to separate a developing trade economy in the colonial territories from the domination of European business interests and European governments. All of the independent governments established, both in North and South America, were under the control of landowning or business interests.

§59. COLONIAL TRADING EMPIRES

European trading interests, in their search for bullion and other forms of stealable wealth, for markets,

and for resources and labor that might be expected to return a profit, penetrated the Americas and Asia, laid claim to the territory they explored, and thus built up the colonial empires of the fifteenth, sixteenth, seventeenth and eighteenth centuries.

The colonial empire consisted of a relatively small geographic area in Europe—Holland, Portugal, Spain, France, England, for example—inhabited by a small population (the population of England and Wales in 1750 was about 6,500,000; of France in 1762 about 21,270,000) laying claim to millions of square miles of territory and to tens of millions of people in Asia, Africa and the Americas.

The European nuclei of these colonial empires were operated, economically, on the mercantilist principle: the maintenance of an export trade balance to be met by the importation of bullion; the importation of raw materials from the colonies; and the export, to the colonies, of finished products from the European industrial centres.

Each European nucleus of a colonial empire was therefore dependent upon its colonies for raw materials (including bullion); for markets; and, to a slight degree, for investment opportunities. In no one of the colonial empires was there enough of raw material, bullion and markets to satisfy the demands of the dominant imperial class.

European centres of conquest and exploitation were exhibiting the typical characteristics of imperialism: urbanization was going forward rapidly; imperial overhead was mounting; colonial revolts and foreign wars growing out of conquest or imperial rivalry were following one another in rapid succession. Venice, Portu-

gal, Spain and Holland, in their turn, exhibited the characteristics of imperial decay.

§60. EXPANSION AND CONFLICT

Trading, colonizing empires like those which were organized in Europe during the fifteenth, sixteenth, seventeenth and eighteenth centuries, were bitter rivals throughout the whole course of their development. They competed fiercely for the control of territory on the European continent. They were engaged in a contest to dominate trade routes, colonies, markets and other sources of profit. The history of these commercial empires is a history of survival struggle during which the weaker were plundered and pushed to the wall by the stronger and better-organized imperial groups.

Bitter rivalry, involving a life-and-death struggle, was inherent in the economic organization of the commercial empire. Unlike the feudal lords of the middle ages, who were scarcely aware of the existence of a world beyond the boundaries of their domains, and who drew their whole income from that domain, the business men from Venice, from Lisbon, from Nürnberg, from Amsterdam were riding the seas and scouring the earth in pursuit of profitable business opportunities.

Trade expanded; business power grew; the interests at stake became larger; the rivalry was intensified. These economic developments, which occupied the era from the Crusades to the end of the eighteenth century, may be divided roughly into three periods:

(1) The contest for eastern trade and trade routes, centering around the eastern Mediterranean.
(2) Voyages and discoveries which opened a water

route to the Far East, placing the Americas on the map, and shifting the centre of struggle from the Mediterranean to the Atlantic.

(3) Competition among the Atlantic empires for the control of world trade and of world colonial empire.

The outward form of this conflict was political expansion,—extending the sovereignty of competing empires by conquest, subjugation, annexation and colonization between 1200 and 1763 A.D.

Conquest and subjugation require military organization. Each of the competing empires therefore established and maintained an army and navy.

§61. TRADE WARS

Economic and political expansion and military preparations inevitably involve war. Europe, Asia and the Americas were the scene of military conflict that convulsed the world through centuries.

Vasco da Gama planned peaceful trade with India and the East. Arab rivalry and hostility made this impossible. Indeed, in 1501, the Portuguese sank ten Moorish ships; in 1502-3 they captured and burned pilgrim ships bound for Mecca, and rice boats from Coromandel. "Forcing the rulers of the Malabar Coast to grant him a monopoly of trade and to renounce their connection with Calicut and Egypt, da Gama laid down the lines upon which was to be fought the first great conflict between the West and the farther East." [76]

France was more realistic when it came to the question of imperial competition. Colbert, in 1669, bitterly lamented the stagnation of French commerce. "He

[76] Abbott, *Expansion of Europe*, Vol. I, p. 154.

estimated that, out of the 20,000 ships doing the traffic of the world, the Dutch owned 15,000 or 16,000, and the French 500 or 600 at most." [77] The French East India Company was virtually bankrupt in 1670 while "the Dutch Company divided 40 per cent. From that moment Colbert recognized peaceful competition as impossible, and nerved himself for war. In May, 1672, Turenne crossed the frontier at the head of a great army." [78]

The wars accompanying these trade rivalries ushered in one of the most terrible periods of European history. The Treaty of Westphalia (1648) ended a war fought all over the world. The same was true of the Treaty of Utrecht (1713). Again in 1763 the Treaty of Paris ended a period of war which had lasted almost continuously since 1740.

Clive Day makes this significant comment on the events of the period: "The prize in distant commerce went not to the best producers and merchants, but to the group of the best fighters." [79] England engaged in a series of wars with Holland, Portugal, France and Spain, "and found herself repaid, by a position of commercial supremacy, for the expense to which she had been put. Out of the 126 years between 1688 and 1815 she had spent more than half, sixty-four, in wars ranging from seven to twelve years in length." [80]

§62. SUBJUGATION AND ELIMINATION OF TRADE RIVALS

Between 1300 and 1763 the principal commercial nations of the world engaged in a series of elimination

[77] Adams, *New Empire*, p. 156.
[78] *Ibid.*
[79] Day, *History of Commerce*, p. 166.
[80] *Ibid.*

contests in the course of which the various aspirants to world power were humbled or dismembered, and one empire emerged, in 1763, supreme.

Goods coming in from the East were either brought directly overland into central Europe at a relatively great cost, or else they were taken by sea to some port, such as Venice or Genoa and from there they were reshipped overland, or were shipped by sea to western Mediterranean and Atlantic coast ports. The first fleet of Venetian merchantmen reached the Netherlands in 1318.

Venice was the leading commercial power in Europe after the Crusades. The Venetians were forced to struggle for supremacy against a number of formidable rivals in Italy, and against the Mediterranean Turks, who were astride the eastern Mediterranean trade routes.

The Venetians were able to cripple their rivals one by one. Finally, in 1380, after a war in which both cities were exhausted, the Venetians destroyed the Genoese fleet and established themselves as the arbiters of Mediterranean economic life.

Venetian merchants were not permitted to enjoy an unchallenged monopoly of eastern trade. The earliest and most threatening European rivals were the Portuguese. Once the Venetian merchants had established the water route from the Mediterranean, through the straits of Gibraltar, to the Atlantic, English Channel and the North Sea, the Portuguese followed it back in search of trade. This brought the Venetians and the Portuguese into active conflict.

Portuguese navigators were not satisfied to struggle merely for Mediterranean trade, however. Instead of dealing with the East through Asia Minor, by the costly

overland routes, they wished to reach the Indies and China by sea. Throughout the fifteenth century they crept along the west coast of Africa, establishing trading stations and extending their control.

Da Gama's ships were gone two and a half years. When they reached Portugal on their return voyage, their cargoes produced a profit of "sixty times the cost of the expedition. . . . Da Gama had sailed into a safe harbor filled with the commerce of three continents . . . in a land whose dense population, while it forbade colonization, offered unlimited possibilities of trade with almost unlimited profits." [81]

When news reached Venice that a cargo of spices had arrived at Lisbon direct, by water, the prices on the Rialto fell fifty per cent. The Italian monopoly of eastern trade had vanished. With this loss went the loss of political power. The new water route to the East had shifted the centre of European economy from the Mediterranean to the Atlantic seaboard. Henceforth the competitors for imperial power must have ocean frontage,—Portugal, Spain, France, Holland, England.

Portuguese maritime enterprise broke the back of the Mediterranean trade monopoly by shifting the trade-route centre to the Atlantic. The Portuguese followed up their gains quickly. Between 1512 and 1515 Alfonso de Albuquerque extended Portuguese control to the Coast of India, to the Red Sea, to the Persian Gulf, Malacca, Malabar. In 1517 trading connections were established with China, and in 1542 with Japan. The Portuguese Empire had replaced the Arab Empire as the chief trading power of the East. Venice and the

[81] Abbott, *Expansion of Europe*, p. 105.

Italian cities had lost their positions as middle-men in the eastern European trade.

The Portuguese were not alone, either in their enterprise or in their desire for profits. The same voyages and discoveries which opened the East to Portugal opened the Americas to Spain, stimulated France, Holland and England, and launched the Atlantic empires on a career of competitive struggle.

Portuguese imperial power was short-lived. The country contained a population of only 3,000,000. Its fighting force consisted of about 40,000 men. More important still, the profits from its eastern trade were made, in large part, by foreign bankers and traders who settled in Lisbon for the purpose.

Spain, with larger resources and with the great stores of bullion secured in Mexico and Peru, soon replaced Portugal as the mistress of the newly found colonial and trading world. In 1580 the two countries united, under Spanish domination, for a period of sixty years. This Portuguese-Spanish combination controlled the trade of the Americas and of the Far East.

Spain's position was essentially weak. Her rulers discouraged and hampered traders and placed restrictions on manufactures and on export. The same forces of landed opposition to business development were at work in France.

Business interests in Holland and in England gained the upper hand in the middle of the seventeenth century, placing DeWitt and Cromwell in control of public affairs. Then by selling their goods to Spain and Portugal and by plundering the Spanish and Portuguese treasure ships on the high seas, these trading nations were able to gain a position of economic ascendancy.

Of the three great Atlantic rivals of Spain—Hol-

land, England and France—Holland was the first to found a world empire. This empire was built on trade and manufacture.

Dutch supremacy was founded on a very extensive fishing industry. Her cured fish, carefully graded, packed and labeled, formed an acceptable article of commerce the world over. By building up a merchant fleet, Holland became a shipping centre for Russian, German and Polish cereals on their way to Mediterranean ports. Her linen found a ready market in the East. Add to these basic elements of success the Dutch shipbuilding industry, which supplied not only the ships for Holland but for other nations as well, and the foundation for Dutch economic power is established.

Financially, Holland occupied a strong position. In 1598 an official system of marine insurance was established. The Bank of Amsterdam was founded in 1609. The Dutch money market soon reached a point at which it dominated west European economic life.

By 1650 Holland was at the height of her power. The Dutch were the principal manufacturers of Europe. They had a greater commercial fleet than the eleven other leading commercial nations of Europe combined. The money centre of the world was at Amsterdam. The Dutch colonial empire reached into Asia, Africa and the Americas.

Three factors combined to break Holland's world power: the lack of basic raw materials; internal dissension; wars with France and England.

The lack of basic raw materials made it impossible for Holland to continue as the dominant world empire. Both France and Britain were better supplied with timber, minerals and fuels than was Holland, and both

were equally well situated on the main lines of world commerce.

Disunity proved a source of weakness in the maintenance of Dutch economic and political supremacy. After the sacking of Antwerp by the Spanish in 1576, seven provinces united in a confederation and became the Dutch Netherlands. The union was never complete, however. Despite the efforts of William of Orange, internal jealousy prevailed over common interests. After 1648 there was incessant conflict between the rival cities and economic centres of Holland. The Dutch never succeeded in establishing a stable nucleus for empire building.

Holland, France and England, through their united efforts, broke the power of Spain. Then they began fighting among themselves. In 1650 the Dutch held virtual control of the seas; they were the manufacturing, trading and financial centre of the world. Both France and England, in their efforts to gain a share of the immense prosperity that was being enjoyed by Holland, built their own systems of trade, manufacture and finance. The passage of the Navigation Acts by the English Parliament in 1651 was the most severe economic blow dealt to Holland by any of her rivals. Economic competition was followed by a series of wars in the course of which the Dutch navy and the Dutch commercial fleets were driven from the seas and the control of the world's trade and trade routes passed from Holland to England.

Rivals in the imperial struggle are eliminated by means of economic competition and war. From 1100 A.D. to 1815 this elimination contest between the Italian cities, the Turks, the German cities, Portugal, Spain, Holland, France and Britain crippled or destroyed one

competitor after another, leaving the British Empire supreme.

§63. THE BRITISH EMPIRE EMERGES

Britain waged her struggle for world imperial supremacy against three principal rivals: Spain, Holland and France.

The conflict with Spain occupied the sixteenth century. When Elizabeth came to the throne in 1558 England was a minor power. Spanish merchant ships; the Spanish colonial system; Spanish arms and Spanish diplomacy dominated the world. The Armada (1588), defeated by the English with the assistance of rough weather, represented Spain's mightiest effort to clear from her path the growing power of England.

World imperial supremacy passed from Spain to Holland. The latter country was at the height of its economic and political power by 1650. Through trade development, diplomacy and war, England and her allies pulled Holland down from her dominant place as dominant world empire.

France and Britain remained as the two principal competitors for world supremacy. Between 1750 and 1815 these two great rivals were engaged in an almost continuous struggle. The issue was finally decided at Waterloo.

From 1588 to 1815 Britain was at war with Spain for 103 years; with France for 72 years, and with Holland for 33 years. During the first third of the period, the wars were primarily with Spain; during the second third, primarily with Holland, and during the latter years, primarily with France.

When these two and a half centuries of almost continuous struggle were ended, Britain appeared as the

dominant world empire. In trade, manufacturing, finance, colonial power and naval control, she was supreme.

Several factors combined to give the British their victory in the survival struggle of the commercial empires:

First, an insular position freeing the British Isles from war devastation. European trade wars were fought across France, the Netherlands, Germany, Austria, Italy. Not one was ever fought across the British Isles.

Second, the location of the British Isles at a junction point of the Atlantic coast trade routes.

Third, excellent harbors, numerous rivers, a fertile soil, and large deposits of some of the more important minerals and fuels.

Fourth, the early victory of the business elements in their struggle with the landed interests. Officially, this victory was won during the Revolution of 1642, that is, 147 years before a similar victory was won in France, and two centuries before it was won in Germany. Actually, the business interests played an important part in British politics long before the time of Cromwell.

This early control by business interests made possible a unified, well-situated, well-equipped imperial nucleus. While continental rivals were suffering the devastations of war and the constant shifting of political boundaries, England, Wales, Scotland and Ireland were being welded into an economic and social unit. Though Scotch and Irish patriots may contend that the process was slow and painful, it is nevertheless true that it went forward more rapidly and more successfully in the British Isles than anywhere else in Europe.

It was this British imperial nucleus—these "tight little Islands"—that defeated, successively, the Spanish,

the Dutch and the French, and emerged from the struggle in 1815 with "the foundations of the greatest commercial and colonial power that has ever existed." [82] Included in this empire were the regions of the St. Lawrence, New Brunswick, Nova Scotia, Newfoundland, Prince Edward's Island, Hudson Bay Territory, Jamaica and other West Indian territory, portions of Australasia, the lower Ganges region in India and parts of the eastern and western coasts, Ceylon, the Cape of Good Hope, Malta, Heligoland. Geographically, the Spanish Empire still covered more territory than the British, but the strategic trade centres were included in the British possessions.

Geographic possessions were merely the symbols of British imperial power. The sinews of empire lay in the British merchant fleet; the navy; the iron, coal and tin deposits; the woolen industry; jobbing; banking; insuring; investing. Behind the political world empire of eighteenth century Britain was the most powerful economic organization that had been constructed since Rome.

Victory and imperial supremacy gave to the British the opportunity to exploit resources, labor and markets in all parts of the planet. Conquest and exploitation carried with them, however, the price that empires must pay for their imperial practices.

First, there was urbanization and the growth of imperial overhead. Britain had triumphed, but at an immense cost in wealth. Furthermore, her position as mistress of the world involved the maintenance of a standing army and of a huge navy. Meanwhile her people were crowding into urban centres.

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[82] Robinson & Beard, *Outlines of European History,* pp. 233-4.

Second, colonial revolts occurred, the most serious one in North America where the English Colonies, after two wars (1776-1783 and 1812-1815) succeeded, with the help of France and Spain, in establishing their independence and in setting up their own system of conquest and exploitation.

Third, came the wars with potential rivals. Britain had defeated Spain, France and Holland, but she had not destroyed them. The French Revolution of 1789 released an immense fund of energy. Napoleon led the French armies back and forth across Europe, threatening the British possessions in Africa and Asia and even attempting the invasion of the British Isles. After twenty years of war, Britain, with the aid of a powerful European combine, finally succeeded in defeating France at Waterloo.

Following these victories over its most pressing rivals, the world supreme British Empire, in the course of the normal imperial cycle, should have been able to maintain law and order for a period, while overhead mounted, colonies revolted and new rivals threatened. Historic precedent suggests that this period of world supremacy might have lasted for centuries. Then there would have followed the disintegration of the imperial fabric into its constituent elements; the agricultural village and the trading centre. Thus another completed imperial cycle would have been added to its predecessors.

Historic events took another turn, however. In the closing decades of the eighteenth century the sequence of the modern imperial cycle was broken by the industrial revolution.

§64. MACHINERY

The industrial revolution followed closely on the heels of the commercial revolution. Voyages and dis-

coveries opened trade routes and markets, stimulating the demand for goods and increasing the volume of trade. The introduction of power-driven machinery, with its mass-production possibilities, enabled the western empires to utilize the trade routes and supply the expanding markets, first with textiles, and later with almost every variety of economic goods.

Machine industry made possible a system of production and transportation that speedily transformed the life of the world. Like the discovery of fire, the making of pottery, or the smelting of metals, the invention of power-driven machinery marked an epoch in the culture development of the human race.

There were four important characteristics of the new industrial system: (1) its use of machinery; (2) of mechanical power; (3) its methods of transportation and communication, and (4) its widespread exchange of goods, services, news, etc.

The extent and rapidity of machine development is suggested by the production of pig iron, the basic metal in machine industry. World pig-iron production is estimated at:

800,000 tons in 1800
4,700,000 " " 1850
40,400,000 " " 1900

This means a fifty-fold increase in production during the nineteenth century.

Coal has thus far been the chief source of mechanical power. World coal production, in millions of tons, was:

11.6 million tons in 1800
81.4 " " " 1850
800.0 " " " 1900

Here was a seventy-fold increase in production during the nineteenth century.

Figures for transport and communication are even more striking:

	Nominal Vessel Tonnage	Railway Mileage	Telegraph Lines in Miles
1800	4,026,000		
1850	12,334,000	24,000	5,000
1900	20,531,000	500,000	1,180,000

Railways and telegraphs were non-existent in 1800. The telephone came only after 1876. Ship tonnage conveys no real sense of the increase of commerce, because the modern ships travel faster, and are loaded and unloaded much more rapidly.

The exchange of goods can be estimated only crudely in terms of the money value of international commerce. In 1800 the world's commerce was valued at $1,479 million; in 1850, at $4,049 million, and in 1900, at $20,105 million.

Thus, within a century, and particularly during the fifty or sixty years preceding the War of 1914, machine industry, with its mechanical power, transport, communication and the exchange of commodities, multiplied the quantity of available goods and the rapidity of their distribution. This is one of the tangible measures of the production changes that arose out of the industrial revolution.

Technically, the industrial revolution expressed itself in four ways: (1) the substitution of the labor-saving, power-driven machine for the hand tool; (2) organized machine production; the factory system; (3) specialization in production, so that one factory or

locality produced only one or a small number of commodities, and (4) the organization of business, including merchandising, finance and credit, insurance, banking. These four series of changes centred energy in cities, upon factory production, mining, transport, merchandising, and made agriculture only one of the many important occupations.

Machine production laid the foundation for a new form of social life; vastly increased the amount of products interchanged between different parts of the world; speeded up transport and communication. The machine-production world was actually a new kind of world.

§65. BROADER BASES FOR IMPERIAL POWER

European empires fought through centuries to determine the question of imperial supremacy. Britain won. But in the hour of her victory the industrial revolution raised up a new group of rivals for imperial power, and at once opened a new era of imperial survival struggle.

Thus the imperial cycle, instead of following its normal historic course, was disrupted by the industrial revolution. After the invention of power machinery, the steam engine, the locomotive and the telegraph, economic activities flowed rapidly across broader and broader areas.

Territories in the Americas, Australia, Africa and Asia, which had not before figured in the imperial cycle, entered the arena of struggle. The British Empire, from its post of world-ruler, was forced to engage in another elimination contest to determine the question of imperial world supremacy.

The British Isles had a long lead. The early adop-

tion of the machine in British industry; the extended colonial system; the British Merchant Marine; the network of British commerce and finance all gave the British ruling class a superior hold upon the world's economic life. However, some of the new rivals called into being by the economic developments of the industrial revolution possessed richer resources and larger volumes of man-power than those of the British Isles.

The British Isles were admirably adapted to survival in an age when foot-traffic and animal transport were the chief means of travel on land, but with the coming of the locomotive, electric traction, the automobile and the airplane, it became possible to traverse a territory twenty times as big as the British Isles in no greater length of time than animal- and man-power had formerly traversed Britain. In the meantime, telegraph, telephone and radio kept the various parts of the territory in constant communication.

Machine industry made it possible to include broader areas, more varied climates, a wider range of resources, and a far greater volume of population within an imperial nucleus. The larger nucleus was, almost of necessity, a more powerful nucleus, both in terms of economy and of politics.

The struggle between Spain, Holland, France and Britain had been primarily a struggle to gain and to hold colonial territory. The struggle of the nineteenth century, between the principal industrial empires, was a struggle for raw materials, markets, trade routes, and business opportunities.

§66. MORE POWER TO BUSINESS

Machine industry broke in on the sequence of the imperial cycle. It also added greatly to the power of the

imperial ruling classes by developing industry, transport, merchandising and trade at the expense of agriculture, and by greatly enriching the business class as compared with the agricultural class.

Until the development of machine industry, it required an agricultural population of at least four thousand persons to maintain a trading centre of one thousand persons. In the middle ages the disproportion was far greater. Even in the opening years of the twentieth century in Russia and the Balkans, more than four-fifths of the population was centred in the agricultural villages and less than a fifth in the trading centres. Even after the business class had wrested control of policy from the hands of the landed aristocracy, the great majority of the people were still in agricultural villages.

Machine industry reversed this situation. The development of agricultural machinery made it possible for a nation like the United States to feed itself with less than one-fourth of its gainfully occupied population engaged in agriculture. Other imperial nuclei, like Great Britain, practically eliminated agriculture and relied largely on the importation of agricultural products.

Machine industry reduced agricultural production from a position of numerical major importance to one of numerical minor importance. At the same time it added to the wealth of the business class the immense profits of the new system of mass production.

Even when the great mass of the population was engaged in agriculture, the business class made large enough profits to place the balance of economic surplus in its hands. As machine production drew more and more producers from the farms to the industrial

centres, the economic balance was weighted more and more strongly in favor of the business class.

Machine production not only centred economic power in the hands of the established business class in the old imperial countries by adding to their economic surpluses, but it gave them new tools and weapons for conquest and exploitation and enabled them to penetrate the undeveloped countries and call into being similarly equipped imperial classes.

§67. THE INDUSTRIAL EMPIRE

The establishment of new tests for imperial survival, and the opening of new centres of potential imperial power led directly to the imperial struggle of the nineteenth century: the struggle of the industrial empires.

The nucleus of the commercial empire—Great Britain, France, Spain—was still mainly agricultural. Industry, transport, trade and finance occupied the lives of only a small part of the population.

Machine industry brought into being the industrial empire—Britain, Belgium, Germany, Japan, United States—with the energies of the population directed toward industry, transport, trade, finance; with the centering of all power in the hands of the business class.

§68. SPEEDING UP AND WORLDIZING IMPERIAL PROCESSES

The industrial revolution laid the basis for an intensified imperialist survival struggle. Machine production increased the demand for raw materials,—multiplied the volume of goods seeking a market; opened newer and broader areas to civilization; vastly increased the economic power and the economic surplus in the hands of the business class.

Applied science speeded up the whole economic pro-

cess, inaugurating a world economic system that included the temperate zone areas of Europe—the Americas, Asia, Africa and Australia—and that finally penetrated the semitropics and even the tropics.

§69. NEW IMPERIAL AREAS

Imperial struggle had been centred, for at least forty centuries, in the lands immediately surrounding the Mediterranean. Voyages and discoveries revealed to Europe new worlds in the Americas and Australia. The machine opened these areas to imperial exploitation. The same machine made possible a rapid expansion into known but largely unpopulated areas like Siberia and Manchuria.

Without railroads, the great land masses, save along the rivers and sea coasts were virtually inaccessible, except to the hunter and the nomad. Railroad building opened millions of square miles in the Americas, Australia, Asia and Africa. The telegraph, the telephone, the camera and the power printing-press kept these distant parts of the world in constant touch with the centres of wealth and power.

These new territories were either uninhabited, or else they were inhabited by people who occupied a much lower cultural level than that of the empire-builders. Railroads, steam-boats, telegraphs and cables opened the way, in these countries, for the rapid spread of European colonists and the wide diffusion of European culture. The new territories were quickly made available for the same line of economic development that had already taken place in Europe.

Geographically, the imperial nuclei of the industrial era were very much larger than those of the era before the Industrial Revolution. But the real advantage of

the newer imperial nuclei over the older ones lay not so much in the increased square mileage as in the greater variety of resources: metals, minerals, tropical products, water power; their greater range of climate; the wider facility in handling different racial, linguistic and nationalistic groups.

This was notably true in the new countries. In European empires the different racial and national groups remained isolated, constituting sources of friction and conflict. In the United States, Canada, Brazil, Argentina, Australia, on the other hand, nationality groups fused, amalgamated and practically disappeared in one or two generations. Thus the nucleus in the new lands was closer knit, in population, than it had been in the old countries.

Nuclei of imperial power had been built up slowly in western Europe. In the Americas, Australia and Japan, they were organized with great rapidity. The new centres of commerce and industry took over the economic and political technique which their European predecessors had evolved through such long and painful stages of experimentation. Within a few generations these new centres were competing, economically and politically, with the older centres of Europe. Thus the commercial and industrial revolutions set the stage for a planet-wide struggle between imperial nuclei equipped with machine technique.

The opening of these newer and larger imperial areas in Asia, Africa, Australasia and the Americas upset the balance of European imperial power. The British Empire, already world dominant, was compelled to fight through a new era of survival struggle,—the struggle of the industrial empires.

Against this background of world imperial struggle

the history of the nineteenth century shows the ruling classes in the various countries busily rounding out the nuclei of imperial power: consolidating business organization; unifying the new bourgeois state; balancing local authority against large-scale federal organization.

Initially, most industrial units were small. There were a few large chartered companies, engaged primarily in trade and some larger industrial establishments, but the bulk of industrial production was carried on in establishments employing less than a hundred workers.

As the industrial system matured, this early, small-scale, competitive stage evolved into a large-scale monopoly stage. In each important industry, one, or a small number of establishments, dominate the field. Such large-scale production units consumed quantities of raw materials and turned out masses of finished products. Among them, therefore, the search for raw materials became correspondingly more intense.

Finally, through their control over credit agencies, banking syndicates grouped about themselves numbers of industrial and commercial trusts or cartels that depended upon them for financial assistance. Thus the ultimate power gravitated to the institution that dominated money and credit.

These developments took place in each of the principal industrial countries. Britain, Germany, France, Belgium, the United States, Japan, reached a stage of large-scale, monopoly industry dominated by financial institutions. In each country the demand for strategic raw materials, the search for markets and for investment opportunities was intensified with the increase and the concentration of economic power.

The production units of business were greatly increased in size. Steel trusts, oil trusts, chemical trusts

dominated their respective industrial fields, and, reaching beyond the political boundaries of their native states for resources and markets, built up their business activities on a world scale. In the early years of the twentieth century these trusts often united in international cartels, temporarily linking competing business interests across political frontiers.

From the six centuries of struggle between the commercial empires, unit nation states had emerged: Portugal, Spain, Austria, France, Prussia, Britain. The new era, with its wider area of business activity called into being a new type of state—the confederation or federal organization of sovereign states—the United States of America, the United States of Mexico, the Federal Commonwealth of Australia, and toward the close of the nineteenth century a union of German and of Italian states into the German Empire and the Italian Empire.

The problems involved in the building of federal states across great areas like Australia, Argentina, Canada, the United States of North America, Russia, China was the achievement of a balance between localism and federalism that would leave the local areas culturally free, and at the same time centralize their chief economic interests under one sovereign jurisdiction, in the government of which all local areas secured representation.

Through the nineteenth century business expanded enormously. Some general figures have already been cited dealing with the industrial revolution. Textile production; the production of chemicals; leather goods; rubber goods; machine products; food preparation expanded with equal rapidity.

Transport and communication kept pace—often led —in this development.

Banking was popularized and universalized to the point where savings accounts were the rule rather than the exception. Industrial insurance and co-operative loan societies pointed in the same direction. The limited company and the corporation were used as means of aggregating and centralizing capital. Corporate issues, in small denominations, were sold to the general public.

The total volume of profit and the amount of economic surplus in the hands of the business class was greatly augmented. The nineteenth century was a century of multi-millionaires; the twentieth century one of billionaires.

Machine industry added greatly to the volume of surplus at the disposal of the business class. Capital increased. Surpluses grew. In previous imperial cycles, merchandising, shipping, money-lending and contracting had yielded the chief business profits. Machine technique and mass production provided a huge volume of industrial capital, through the control of which the business class was able to make profit. Mass production, the expansion of markets and the increase of commerce, insurance and banking added to the number and to the lucrativeness of business opportunities.

Business activities, in earlier imperial cycles, had been restricted by the heavy costs of transportation; by the relatively small population; by the small portion of the population that could afford to buy imported wares. In the era of the industrial empires, however, steamship and railroad met the transport problem; population increased fabulously; the area of the purchasing

public was broadened. Thus the volume of business activities was greatly increased.

Economic surplus, accumulating in the original centres of machine industry—such as the British Isles—flowed rapidly across the planet in search of resources, markets, investment opportunities. These over-seas business activities of British business men stimulated and strengthened the business world in the United States, Australia, South Africa, China, Japan. In each of these centres there was a business class building its own surpluses with the aid of the older surplus centres of Europe.

The agricultural revolution—the application of science and the use of machinery—was, in one sense, a by-product of the industrial revolution. Agriculture had been the one great source of livelihood upon which the vast majority of the population depended. It became one of several important sources of livelihood.

The rise of manufacturing, trade, transport and mining greatly extended the wealth, the power, and the numerical strength of the business class. Toward the end of the nineteenth century their economic position was vastly superior to that of the agricultural interests.

Rapid enrichment and the extension of control gave the business class an even greater lead over the landed class than it had enjoyed in earlier epochs. In England and in Holland the business class had forcibly seized power in the middle of the seventeenth century. During the years after 1789 the French business class followed suit. Then, throughout the nineteenth century, the process continued until in central Europe, and finally in Russia, with the Revolution of 1905, the power of the feudal remnants was broken.

When the English Revolution of 1642 occurred,

practically the whole of Europe was under the control of the landed interests. Only here and there, in the commercial centres and the free cities, was the business class dominant. By the time of the French Revolution of 1789, the business class had extended its authority to the territory bordering the English channel and to portions of the Mediterranean. Central and eastern Europe were still feudal. With the Russian Revolution of 1905 the overthrow of European feudalism was virtually completed. The business class was in control over the entire continent.

Meanwhile, and with relatively little difficulty, business elements in Canada, Argentina, South Africa, Australia, had taken control of public affairs. In Japan there was a revolution of minor importance in 1867. The Civil War in the United States (1861-1865) destroyed the power of southern slave-holders. Foreign imperialists, combining with local business interests, speedily gained a dominant position in India, Mexico, China, Persia, Egypt. Business was supreme throughout the world.

Mass production, transport, large-scale merchandising, involved the massing of wage-workers in their work places, in their living places, in their schools, in their recreation. At the same time machine-tending created a semi-skilled or unskilled mass worker, with no control over raw materials, the tools of production or the products of labor,—with nothing to sell except his machine-tending (labor) power.

Among these mass machine-tenders, struggling for subsistence and for power, there arose first a class consciousness and a sense of class solidarity, then a labor movement, and finally the proletarian revolution, which broke the spiral of imperialism.

During the entire nineteenth century the process of replacing feudal power by business-class control led in Europe, to revolutionary movements in which peasants and wage-workers played a part of growing importance. As the proletariat of Europe increased in numbers, it participated more actively in the revolutionary movement. During the French Commune (1871), the French working class was the dominant revolutionary force. In the Russian Revolution of 1905 the industrial workers bore the brunt of the struggle.

Through the century that followed the industrial revolution, the ruling classes in Britain, France, Germany, Japan, the United States and other business centres were rounding out an organization that would facilitate their exploitation of the working masses in the homeland, concentrate economic surplus in the hands of the ruling class and pave the way for expansion abroad.

§70. EXPANSION OF THE INDUSTRIAL EMPIRES

In each of the important industrial countries the search for raw materials, markets and investment opportunities took the business leaders beyond their own political boundaries into unindustrialized (undeveloped) territory. The search for colonies and for trade had carried the great commercial empires to the coasts and along the rivers of Africa, Asia and the Americas. The new search for raw materials and markets led, with the development of the railroad, into the interior of the continents.

Indeed, railroad development was one of the principal factors in the process. The supplying of railroad materials and equipment proved to be one of the most

profitable foreign markets. At this stage of economic development, the export of consumption goods from the industrial centres took second place, and the export of tools, machinery and other production goods became the chief factor in maintaining the business prosperity of industrial nations.

In order to sell expensive capital goods like railway equipment, it was necessary for bankers to arrange the credits without which purchases could not be made. An Argentine railroad, built with British materials, made its payments for these materials by issuing bonds that were handled and marketed through a British banking syndicate. France, Germany, Holland, Belgium, Japan, the United States all followed suit. In 1913 Britain alone had about $20,000 million in foreign investments; France, $8,000 million; Germany, $7,500 million.

Necessarily, political power was invoked for the extension and the protection of these economic interests. The flag followed the investor into the most remote regions of Africa, South America, Asia. Where the government of the investing group did not take actual possession, it established the position of its citizens by means of concessions, spheres of influence and like guarantees that gave them substantial protection. Whenever their lives or their property were in danger the government supplied war-ships and troops. Between 1880 and 1912 the whole of Africa, large sections of Asia and important parts of the Americas were grabbed up by Britain, Germany, France, Belgium, Italy, Russia, Japan, the United States.

Economic and political expansion thus went hand in hand. Industrialization means raw materials, markets and profitable investment for the business groups in

the principal industrial countries. In an incredibly short time after the industrial revolution began, the business interests of Europe with the aid of steam and electricity, had expanded around the world.

Industrialization opened a new era of revolt and revolution.

Intolerable living and working conditions led colonial workers to rise in revolt against their foreign exploiters. Discontented masses, in the colonies and dependencies of capitalist empires, formed united fronts with the colonial business classes that were called into being or stimulated to action by the pressure of imperial expansion.

Beginning about 1875 a wave of nationalist movements and colonial revolts swept across Asia, Africa, the Americas. The new business classes in these colonial territories joined forces with the developing wage-earning class and the dispossessed farmers in a united front against imperialism. The movement reached the height of its intensity immediately after the War of 1914-1918.

The era of expansion, colonization and exploitation which opened about 1870, carried in its wake a wave of colonial revolt and proletarian revolution that threatened the existence of the industrial empires and that overthrew Russian imperialism.

The nineteenth century witnessed the development of the industrial empires,—in Europe, Asia, the Americas. Italy and Germany were consolidated. The United States was unified. Japan became industrialized. The great industrial countries, after 1878, entered upon an intensive struggle for concessions, spheres of influence, protectorates and colonies.

During the closing years of the century these new

units of imperial power had taken form. Eight of the industrialized imperial nuclei were in Europe: Britain, Germany, Russia, France, Belgium, Holland, Austria-Hungary, Italy. There lay the bulk of the nineteenth century economic and political power. Japan, after the Russo-Japanese War of 1904-5, was accepted as a first-rate Asiatic imperial power. The United States, following the Spanish-American War of 1898, dominated the Americas.

These ten empires had their colonies, dependencies, protectorates, concessions, spheres of interest, trade monopolies, investments and commercial establishments in eastern Europe, Asia, Africa, Australia and the Americas. Each was a co-ordinated imperial structure, with its nucleus at home and its economic and political interests abroad. In each one the ruling class was prepared to bid for some measure of world power.

§71. EXPANSION BRINGS BUSINESS GROUPS INTO ACTIVE CONFLICT

Imperial expansion, intensified during the closing years of the nineteenth century, brought the ruling classes of the principal empires into active conflict. Economic expansion involved a competitive struggle for markets, food areas, resources and investment opportunities.

Political expansion brought the principal empires into conflict over the division of Africa, the Near East and China. It led to the enunciation of the Monroe Doctrine and the closing of the Americas to further European political aggression.

Economic and political expansion involved the use of armed force, whether for the conquest of colonies or for the more serious struggles with imperial rivals.

Consequently, during this era of intensive economic and political expansion, each of the principal empires concentrated its energy on the building of a military organization and upon preparations for a life-and-death imperial struggle which all of the responsible statesmen realized was inevitable. National preparedness became a slogan, and competitive naval building, particularly between Great Britain and Germany, an outstanding feature of international political conflict.

§72. BUSINESS WARS

Economic and political expansion and military preparedness led to the principal imperial wars of the period 1870-1919. Three wars—against Denmark, Austria and France—made Germany supreme in western Europe. The Chino-Japanese War (1894-5) and the Russo-Japanese War (1904-5) established Japan's position in the Far East. The Spanish-American War (1898) broke the last important political hold of European imperialism in Latin America. These major conflicts, the lesser wars in the Balkans and in Latin America, and the incessant skirmishes with exploited colonial peoples throughout the world trained the necessary experts, perfected the military technique and prepared the ground for the great imperial struggle of 1914-1918.

§73. THE IMPERIAL ELIMINATION STRUGGLE CENTRES ABOUT GREAT BRITAIN

The half century between 1870 and 1920 was occupied by an imperial elimination struggle. The principal contestants for world power—the empires in Europe, Japan and the United States—continued their economic and political expansion and made their military preparations. The ruling class in each of the competing empires

recognized the struggle as decisive. On its outcome depended the question: which ruling class shall be the centre of world exploitation and world political power during the twentieth century?

Chief among the industrial imperial rivals was the British Empire. Its successes in the conflict of commercial empires had given Great Britain India, large portions of Africa, half of North America, Australasia, a dominant hold in China, and the control of strategic points along the world's principal trade routes. Great Britain entered the nineteenth century as the world's most extensive and powerful empire. She was the world's principal manufacturer; the world's principal trader; the world's chief banker. Politically, her empire stretched around the earth. Her naval power was greater than that of any two of her rivals.

Through her rich deposits of iron, coal, tin, lead, and zinc, through her strategic commercial position, through the rapid development of machinery and the application of steam to industry, Great Britain, the world-dominant commercial empire, was able to continue through most of the nineteenth century as Great Britain, the world-dominant industrial empire.

Still, an imperial structure which could win out during an era of commercial competition could not necessarily survive an era of industrial competition. This was true in the case of Great Britain because:

First, the nucleus of British imperial power was small in area, and so limited in its food-producing capacity that after 1870 it was forced to import large quantities of wheat and other foods.

Second, the British nucleus of imperial power was remote from the tropics,—from cotton, sugar, rubber,

and from supplies of oil, timber, and other essential raw materials.

Third, the limited supply of metals and minerals, which had been worked since the days of the Phoenician traders, began to fail in the late nineteenth century. "As early as 1882, the iron mines of the United Kingdom yielded their maximum, in round numbers, 18,000,000 tons of ore,—in 1900, only 14,000,000 tons. In 1868, 9,817 tons of copper were produced; in 1899, 637 tons. Two years later the turn came in lead, the output in 1870 having reached 73,420 tons as against 23,552 tons in 1899; while tin, which stood at 10,900 tons in 1871, had dwindled to 4,013 tons in the same year. The quantity of coal raised, indeed, increases, but prices are showing a tendency to advance as the mines sink deeper, so that any considerable industrial expansion is likely to occasion a rise in the cost of fuel." [83]

Until the middle of the nineteenth century the British Empire was the unquestioned mistress of the world. About a quarter of the earth's land surface—more than had been under the control of any other historic empire—was under the British flag. Britain was the principal manufacturing nation; the principal carrying nation; the principal banking and insuring nation. Britain maintained a two-power navy. This British Empire, supreme after the bitter struggles of the commercial imperial era, carried her supremacy far into the era of the industrial empires.

§74. RIVALS OF THE BRITISH EMPIRE

Britain was the world-dominant political empire. For many years she was able to hold a monopoly of textiles and other machine manufactures, and thus to

[83] Adams, *The New Empire,* p. 176.

continue her domination. Eventually, however, the closely guarded secrets of machine production spread abroad. Then British manufacturers of machinery exported their products on a large scale. Britain ceased to be the world's workshop. France, Germany, Italy, Belgium, and eventually Austria-Hungary and Russia became manufacturing centres, in some cases with the aid of British capital. Japan and the United States also entered the field. Moreover, portions of the British Empire itself—Canada, Australia, South Africa, and even India and China—began to manufacture cotton goods, iron and steel products, chemicals.

Some of these territories were richer in resources than Great Britain. Some were able to feed themselves. This was notably true of the United States, Canada, Australia, South Africa, and the other sparsely settled, developing territories.

The position of the United States was unique. Cotton had been for a century one of the staples of industry. Two-thirds of the world's supply was grown in the United States. Oil, in the late nineteenth century, became one of the key resources. Three-quarters of the world's oil was produced in the United States. The United States had immense reserves of coal, iron, copper and other fuels and metals. It was stocked with great quantities of timber. The tropics lay at its doors, and, under the Monroe Doctrine, were there for the taking. For a long period the United States could supply its own food, and when its resources were depleted, it could turn to Canada. In these respects the position of the United States was vastly superior to that of Great Britain.

Again, in area, Great Britain covered 120,000 square miles; the United States, 3,000,000 square miles, with a

far greater climatic range than that enjoyed by the British.

As a nucleus of imperial power the area under the control of the United States ruling class was far superior to that under the control of the British ruling class. Other rivals were less threatening, but they were still serious rivals.

The story of the rivalry may best be told in figures of wealth and production. When the period of intense competition between the industrial empires began (about 1870), there were four imperial nuclei whose wealth was practically equal: Britain, with $40 billion; Germany, with $38 billion; France, with $33 billion; the United States with $30 billion. Next in order came Russia with national wealth of $13 billion and Spain with $10 billion. The four imperial nuclei that headed the wealth list were far in the lead of all rivals, but they were closely bunched together.

Twenty years later—in 1890—the four wealth leaders of 1870 were still far in advance of the other nations. A significant change had occurred, however, in their relative positions. At the head of the list was the United States with $65 billion; Britain followed with $53 billion; Germany was third with $49 billion; France was fourth with $43 billion. The United States had moved from fourth to first place; Germany was staying very close to Britain.

Another twenty years passed. The four leaders of world wealth were no longer alone. Russia had joined them with national wealth estimated at $56 billion, as compared to $57 billion for France. Italy, Spain and India each had an estimated wealth of $20 billion. Japan, Canada, Argentina and Australia were in the $10 billion class. Most significant of

all, however, was the new position occupied by the United States. In 1890, the wealth of the United States was only a fifth greater than that of its nearest rival, Britain. But in 1912 the wealth of the United States was estimated at $186 billion, while the wealth of Great Britain, estimated at $79 billion, was less than half that of the United States. Germany, with wealth estimated at $77 billion, was almost exactly equal to Britain, but the two combined had a total wealth less than that of the United States.

Before the War of 1914 began, Great Britain, in wealth terms, was equaled by Germany and outdistanced two for one by the United States. The War of 1914 crippled Germany, but it greatly increased the economic lead of the United States.

When the war accounts were balanced in 1922-1924, the United States appeared in a unique rôle. Her total wealth was at least three times that of Great Britain, while the combined wealth of Britain, France, Germany, Italy, Belgium and Japan was less than the wealth of the United States alone. Thus the United States had not only become wealthier than Great Britain, but wealthier than any six of the capitalist empires.

This shift in wealth power is merely a record of the shift in production. The International Economic Conference, sitting at Geneva in May, 1927, showed this very clearly in its *Summary Memorandum*. The United States had become the wealth centre because it was the greatest production centre of the world.

Perhaps the course of the economic rivalry can best be described in terms of the production of certain economic essentials, such as coal and pig iron.

Coal production in 1875 and in 1913 showed the following changes (million tons):

	1875	1913	Per cent Increase
United Kingdom	131.9	292.0	121
Germany	37.4	190.1	435
France	16.9	40.1	134
United States	46.7	508.9	981

Pig iron production in 1875 and in 1913, in millions of tons, was:

	1875	1913	Per cent Increase
United Kingdom	6.4	10.4	63
Germany	2.0	10.9	445
France	1.4	5.2	206
United States	2.0	28.9	1445

In these and in many other fields of standard industrial production Great Britain was increasing slowly, Germany and France rapidly, and the United States by leaps and bounds.

More spectacular than this economic competition for world supremacy was the political conflict. From 1878 to 1900 the industrial empires extended their power over the earth with feverish haste. First came the partitioning of Africa, begun and practically completed between 1880 and 1902. Next came the struggle for China. Britain, Russia and France had already made inroads on the Celestial Empire, but in 1894-5 Japan defeated China and took Formosa and Korea. Then, in 1897-1898, Russia seized Dalny and Port Arthur; Germany occupied Kiao-chow; Britain took possession of Wai-hai-wei and obtained extensive concessions in the Yangtse Valley. France appropriated Kwan-chowan. By 1900, in all China's 3,000 miles of coast line there was not a harbor in which she could mobilize her own ships without the consent of the foreigner.

Meanwhile, in 1898, the United States had seized the Philippines, Porto Rico and Cuba during the brief war with Spain, and had, at the same time, annexed Hawaii.

Within twenty years the imperial rivals had swallowed up Africa and had made great strides in Asia. Had it not been for the Monroe Doctrine, emphatically reaffirmed by President Cleveland in the Venezuela controversy (1895), Latin America might have suffered a like fate. Under the circumstances, the United States enjoyed exclusive opportunities for expansion in the Americas.

Thus, in the opening years of the twentieth century, the rival industrial empires had expanded into most of the available unoccupied (that is, defenseless) territory. There was only one other direction in which expansion could take place: the empires could grab territory from one another. This they did when they divided the war-booty at Paris in 1918-1919.

There were ten empires: Britain, France, Germany, Austria-Hungary, Italy, Russia, Japan, Holland, Belgium, the United States. The struggle among them, already in an advanced economic stage, soon entered the political field. Britain, France, Russia and Japan made a temporary alliance against Germany, Austria-Hungary and Italy. The United States held aloof from these political manoeuvres.

Since it was evident that these economic and political rivals must fight, each spent what it could in military preparations. As the years passed and the rivalry became more intense, the military expenditures and preparations increased.

Economic rivalry had reached an advanced stage. Political manipulation was eagerly carried on. Mili-

tary preparations were pushed. The Balkan Wars of 1911-1912 were a prelude to the War of 1914-1918.

§75. THE WAR OF 1914-1918

World war was the military phase of the struggle between the great industrial empires that had begun forty years earlier in the rivalry over resources, trade, colonies. With the exception of Holland, all of the industrial empires entered the war, although Italy held off until 1915 and the United States until 1917.

After the first few weeks, the war settled down to a military elimination struggle. Both sides were well prepared. The ruling classes on both sides were determined. It was a battle for imperial life or death.

Ignorant masses in all of the warring countries supposed that the winning of the war meant "democracy," "freedom," "peace." The documents that have come to light since 1917 reveal the motives which were actuating the ruling classes in the various European capitals.

The most important of these documents were the "secret treaties" entered into between the principal European Allies and Japan during 1915 and 1916, and published by the Bolshevik Government after they gained power in 1917. One treaty prescribed the new boundaries of France after the war. Another stipulated the price, in cash and in conquered territory, which led Italy to abandon the Central Powers and espouse the cause of the Allies. A third treaty provided for the division of the Turkish Empire among the Allied victors. The Allied statesmen, behind closed diplomatic doors, had decided to fight, not for peace and freedom but for plunder.

The Treaty of 1919 fully confirmed this view. Take

four instances: (1) the transfer to Japan of Shantung, taken from China by Germany in 1899, and from Germany by Japan in 1915; (2) the occupation by British forces of the oil fields lying in Persia, Mesopotamia and Transcaucasia,—one of the most strategically important areas in the world of 1918-1919; (3) the erection of a sanitary cordon around Bolshevik Russia, by creating new states, which could only survive with foreign military and financial assistance; (4) the stripping of Germany,—taking her iron, coal, colonies, merchant ships, and loading her with an immense war indemnity.

The secret treaties laid out the pattern. The Treaty of 1919 confirmed the pattern line by line.

The War of 1914-1918 was not fought for peace and freedom except in the propaganda-poisoned minds of the masses. It was fought between nine empires to determine which should be driven from the exploiters' table and which should remain to share the feast.

Results were decisive. The Russian Empire was consumed in the flames of revolution. The Austrian Empire was dismembered. The German Empire was crippled economically and disarmed. Japan, Italy, Belgium, France, and Britain shared the booty among them. The United States entered the war owing the world about $3,000 million. It left the Peace Table in 1919 with the world about $18,000 million in its debt. The bulk of this debt consisted of loans made between 1917 and 1919 by the United States Treasury to European Governments.

The War of 1914 thus proved to be an elimination contest among the empires. Nine empires entered the war. Only six were represented at the Peace Table.

The peace plan of the victorious Allies consisted of

six essential elements: (1) destroying the economic power of Germany; (2) remaking the imperial map, especially in Asia and Africa; the elimination of Germany as an economic and political factor; the extension of British control over the strip of land from the Cape of Good Hope to the Straits of Malacca; a British world empire, bigger and stronger than ever; (3) France, strengthened economically, and with her very efficient military machine, financing and policing the European Continent, especially the new, small Baltic and Balkan states; (4) the Soviet Government, crushed by Allied blockade and intervention, or gutted by Allied financed counter-revolution; (5) Japan, the constituted policeman of the East, as far as Hong Kong or Singapore, by the virtual acceptance of her Twenty-one Demands on China (1915); (6) the United States as policeman of the Americas (except Canada) by the specific recognition, in the League Covenant, of the Monroe Doctrine.

This dream picture of a world prostrate before the rich Allied empires did not materialize: (1) Germany "came back" economically with amazing rapidity; (2) colonial peoples in Morocco, Egypt, Syria, Turkey, Persia, Afghanistan, India, Indonesia and China revolted against the exploiting empires. Turkey, Afghanistan and Persia won a new status of sovereignty. China seems likely to go even farther in achieving independence of imperial control; (3) French domination of the continent, particularly of the Balkans, was fiercely challenged by Fascist Italy; (4) the Soviet Union survived blockade, intervention and civil war, reconstructed its economy, and became the centre of a new proletarian system of social organization that threatens the whole structure of capitalist imperialism;

(5) Japan, poor in resources, but ambitious and truculent, overplayed her hand, and in the Washington Conference of 1921-1922, was compelled to relinquish Shantung and to promise respect for Chinese sovereignty; to agree to the "open door" and to sever her formal alliance with Great Britain; (6) the United States, besides policing Latin America, staved off European bankruptcy and halted the advance of Bolshevism into central Europe between 1921 and 1925 by a series of loans; clamped the Dawes Plan on Germany; secured debt settlements under which the European empires will pay tribute to the United States Treasury until 1987; rationalized its industrial mechanism, and stepped out as the centre of world industry and finance.

The War of 1914-1918 was the survival struggle between the world's great empires. By 1925 it was apparent that the mantle of economic power had fallen on the shoulders of the United States.

§76. POST-WAR ECONOMY AND DIPLOMACY

War and revolution had eliminated Austria and Russia from the field of imperial competition; bankrupted France, Belgium and Italy; left Germany at the mercy of her economic enemies. Since the United States declined to throw in her lot with the victorious Allies—rejecting the Treaty and refusing to enter the League of Nations—imperial rivalries were realigned. Japan, under the Twenty-one Points of 1915, was preparing to make herself mistress of North China; the United States, under the Monroe Doctrine, was extending economic interests and political power across the Gulf of Mexico and the Caribbean; Britain, in Mesopotamia, Persia, India and South China, was face to face with

the Soviet Union. The war had forced new alignments. It had also intensified rivalries.

Four years of war, with brisk demand and high prices, stimulated mining, manufacturing and merchandising all over the world, and called into being, in Canada, Argentina, India, China, Australia, an active business class that not only desired to perpetuate itself, but that was looking for resources and markets. Thus the productive capacity of the world had actually increased, but with the collapse of the war boom, in 1920-1922, markets were greatly restricted. A destructive earthquake crippled Japan in 1922 by destroying about 10 per cent of her national wealth. Britain's debt stood, in 1922, at 34 per cent of her national wealth. Among the rival industrial empires the United States alone had made immense profits during the war, and had emerged from the war period practically unscathed.

Even during the military struggle the talk of "war after the war" had been general. With the war's end came a frantic conflict over resources, trade, and business opportunities.

Oil, which had become an industrial and military essential of such magnitude that imperial survival might turn on the control of oil reserves, was one important focus of economic conflict. During the post-war years Royal Dutch and Standard Oil interests fought to decide whether the world's oil reserves should be held by British or American interests. This oil war, described by Francis Delaisi in *Oil;* by Davenport and Cooke in *The Oil Trusts and Anglo-American Relations,* and by Ludwell Denny in *We Fight for Oil* raged over Mexican oil; over Baku oil; over Mosul oil; over Columbian-Venezuelan oil; over East Indian oil;

over the oil of the United States. Before the War of 1914, British interests owned about 2 per cent of the world's oil reserves. By 1925 British interests were in control of more than half of the world's oil.

Almost equally dramatic was the struggle over the rubber supply. Up to about 1900, rubber came chiefly from wild trees in the jungles of Brazil and the Congo. At about that time, however, East Indian rubber plantations, mainly controlled by British capital, began to replace jungle rubber. In 1905 the industries of the United States consumed 45.4 per cent of the world's raw rubber. In 1924 the United States industries consumed 76.6 per cent. With one group of business interests controlling the sources of raw material and another using most of the output, a bitter economic struggle was inevitable.

The post-war struggle for markets is nowhere better illustrated than in China. British business interests, which dominated the Chinese market up to 1880, faced the competition of Germany, Japan, the United States, and other developing centres of mass production. Germany was eliminated temporarily from the Chinese market by the War of 1914. Japanese and United States interests pushed their way into the field, however, to such good purpose that, by 1925, Japan held 29 per cent of the Chinese foreign trade; the United States, 16 per cent, and Great Britain, directly, only 12 per cent.

Canada furnishes an excellent illustration of the struggle for business opportunity. In 1910 British capital in Canada totaled $2,500 million; United States capital, $636 million. In 1925 the figures were: British capital, $1,900 million; United States capital, $3,000 million.

The bitterness of the post-war economic conflict and the ambitions of Japan led the United States and British governments to call the Washington Conference of 1921-1922. In the course of this Conference Japan agreed:

(1) To return Shantung to China.
(2) To terminate her alliance with Britain.
(3) To maintain the open door in China.
(4) To build a navy smaller than that of Britain and the United States (5-5-3).

Japan emerged from the conference with clipped wings. She lost the valuable raw materials of Shantung; was isolated from Britain (her principal western ally), and was compelled to accept a position of naval inferiority.

It was during 1922-1924, however, that the real post-war economic position of the rival empires showed itself. Central Europe collapsed economically, and was put back on its feet under a plan (the Dawes Plan) drafted and sponsored by the United States business interests. An American receiver general (reparations agent) was appointed for Germany, and the control of German economic affairs, passed, presumably for fifty years, to the United States and the other Allies. Similar provisions were made for Hungary and Poland.

France, Belgium, Italy, and a dozen other European governments, tottering on the verge of bankruptcy, were "rescued" by United States banking syndicates. Between 1920 and 1925 the United States business interests poured about a billion dollars of capital into Europe each year.

Debt settlements were more drastic than any other

phase of the post-war economic adjustment. The United States Government, between 1917 and 1920, had lent about $9,500 million to sixteen European governments. By 1922 this debt, with accrued interest, had mounted to about $12,000 million. In 1922 Britain "settled for her share of the debt by agreeing to pay $100 million per year until 1932 and $150 million per year from 1933 to 1984. Other European governments followed suit until, by 1925, virtually the whole of western Europe was paying tribute, either to the United States bankers, the United States Treasury, or to both. This legalized drain on European income established a continual differential in favor of the United States.

Post-war economic conflict thus pointed, unmistakably, to future military struggles. The planet was too small for the imperial ruling classes of Britain, Japan, France, Italy and the United States. Consequently, in all of these countries, active military preparations were made for the military conflict which all foresaw.

§77. PREPARATIONS FOR THE "NEXT" WAR

Each of the principal imperial rivals continued active war preparations during the years immediately following the Treaty of 1919. The League of Nations *Armaments Year Book* for 1927-1928, showed 5,500,000 soldiers under arms in all of the principal countries; 5,000,000 tons of war vessels, and an annual expenditure for war preparations of $3,500 million, fully one-sixth of the total annual income of the nations involved.

One of the key provisions of the League of Nations Covenant was a requirement that armaments be reduced to "the lowest point consistent with domestic safety."

(Article iv.) The Fourth Session of the Preparatory Commission for calling a disarmament conference was held in Geneva in November, 1927. At this meeting Litvinoff, representing the Soviet Union, caused consternation by proposing immediate disarmament: scrapping of navies, forts, munition dumps, munition factories; the abolition of armies; the cessation of military training; the abolition of war and navy departments. Four months later, at the Fifth Session of the Commission, (March, 1928) Litvinoff regretted that his proposal for immediate disarmament had not been accepted, and proposed that within a year the great powers scrap half of their military machines and the small powers from a quarter to a third of theirs.

France and the United States countered this proposal, in the summer of 1928, by the Briand-Kellogg Peace Pact, under which the signatory nations agreed to "renounce" war, but Great Britain, France and the United States, in their acceptance of the Treaty, reserved the right to wage "defensive" wars, and the Senate of the United States specifically stated that the United States should be the sole judge of what constituted self-defense in any particular case. At the same time Great Britain and France signed a secret agreement under which Great Britain agreed to the continuance of the French army (the largest in the world), and France agreed to the continuance of Britain's navy (the largest in the world).

Economically, the struggle rages. The conflict between the principal empires for raw materials, markets and investment opportunities was never fiercer. At the moment the American Empire is the aggressor, pushing its way vigorously into African, Australian and Asiatic, as well as into Latin American and Canadian, markets.

Politically, the conflict is equally keen. Imperial boundaries are being extended and strengthened, while alliances are reformed, and new balances of power adjusted.

With this economic and political expansion goes widespread military preparation. The principal empires, talking disarmament, are organizing the machinery of war.

The world's principal industrial empires are in the later stages of a struggle, the object of which is to determine which shall rule and exploit the earth. This struggle occupies the centre of the imperial stage in this epoch of life or death conflict.

Only from the Soviet Union comes a ringing voice of protest, and a call to the workers and farmers of the world to throw off the shackles of imperialism, wipe out the capitalist system, abolish poverty and war, and lay the foundations of a world co-operative society.

PART III

THE TWILIGHT OF THE EMPIRES

The Twilight of the Empires

§78. imperialism as an evolving historic experience

Through thousands of years the human race has been experimenting with a form of society which historians and anthropologists call "civilization." Economically, civilization is based on the private ownership of productive tools and processes; the exploitation of the tool user by the tool owner; the heaping up of economic surplus in the hands of the owning class; expansion in search of markets, food, resources and more profitable business opportunities. The motive forces in this system of society are the fear of poverty and the desire to possess material goods.

Politically, civilization expresses itself in the business or civil state,—a geographic area of variable size in which an owning, profit-making class dominates economic, political and social institutions, and from which the ruling class goes out to conquer and exploit "foreign" (other) territories and peoples.

The economic and political forms of civilization have included imperialism. In one epoch of civilization after another empires have been built up; have expanded; have struggled against other empires; have become supreme; have disintegrated, decayed. The whole period of civilization has been divided into these imperial cycles, which are the hours on the face of civilization's clock.

Automatic machinery; mass production; quick transportation; instantaneous communication have laid

the basis for a new order of society which is superseding civilization as civilization superseded barbarism. With the passing of civilization goes the economic and political foundation of imperialism. The twilight of civilization is the twilight of the empires.

Imperialism is not static. It is an evolving historic experience.

Certain economic and political characteristics have been common to all imperial cycles: exploitation; expansion; conquest; survival struggle; supremacy; disintegration and decay. These characteristics have been present, however, in varying degrees.

No two imperial periods have been exactly alike because between each two periods there have been changes in productive forms. Therefore, in one imperial cycle after another, the type of imperial organization has been modified in response to these changing productive forms.

The character of foreign conquest and exploitation has been determined, in the case of each empire, by the productive mechanism at its disposal. Iron weapons were superior to bronze weapons; sailing ships to rowed ships; the introduction of gun-powder gave an immense advantage to the conqueror who was meeting naked savages; steam and electricity gave a new complexion to imperialism. In empire after empire, conquest and exploitation have been the means of extending imperial power, but the character of weapons and tools has determined the form that conquest and exploitation assumed.

As facilities for conquest and exploitation become more effective, and as economic surplus (the drive toward imperialism) becomes larger, the imperial proc-

ess moves faster and farther. Evolution in methods of production has taken this form,—yielding greater surplus to the owning ruling class; placing greater power in their hands.

No productive system known to history has yielded such large economic surpluses as the machine-industry system, ushered in by the Industrial Revolution. The machine age is, therefore, on its face, the age of the most intense foreign conquest and exploitation.

Such is indeed the case. The past fifty years have seen the growth of unimagined quantities of economic surplus. They have also witnessed an expansion of the Western empires over the entire planet, and exploitation by them of populations in every corner of the globe.

World empire, on the widest scale ever known, has resulted directly from the growth of surplus under the system of machine-age production. The same force, however, was rapidly building beyond the individual empires a world-wide economy.

Thus, in the course of its history, the system of business for profit has evolved from the local trading centre to the world market; the civil state, built upon trade, has evolved from the tiny city state to the world empire; the tools of exploitation have evolved from hand tools to world trusts and banking syndicates; the volume of surplus has grown from a few domesticated animals in the possession of the herdsman, a few tools and utensils in the house of the land worker, a few bits of metal in the pack of the merchant to the vast capital equipment of factory and railroad; the immense stores of unconsumed materials to the billions that pass back and forth in the modern imperial credit transactions and settlements.

§79. SOCIAL PRODUCTION—PROLETARIAN REVOLUTION

The evolution of mass production, conquest and exploitation to a world level created an essential new economic unity.

From the organization of the agricultural village to the organization of a world economy, there is no stopping place,—no self-sufficing economic unit. No city state, no commercial nation, no industrial empire can live from its own resources and rely upon its own markets. The very essence of profiteering drives the business man beyond the political boundaries of his own state into new and hostile territory. The checking of this expansion process deals a body-blow to the economic structure. The loss of foreign food supplies, resource supplies and markets means death to the system of conquest and exploitation.

Consequently, in each imperial cycle, when expansion is effectively checked; when food supplies, resources and markets are cut off, the system of economy disintegrates and dissolves back to the level of its most stable units: the agricultural village and the local trading centre. These units are economically self-sufficient; they do not depend on expansion; they can persist for a long period, almost unchanged, as they have persisted in India and China.

Once the level of world economy is reached, a new, self-sufficient economic unit has been established,—a co-operating world. Exploitation at home; class struggle; expansion; conquest and foreign exploitation are eliminated by the establishment of a socialized, co-operative world economy.

The scientific direction of this world economy, and the elimination of profiteering, establish a balance be-

tween production and consumption. Economy is stabilized; under-consumption (over-production) is no longer possible; surplus is socially employed; livelihood is guaranteed; leisure is socialized. A form of economy is thus set up that is as stable and as capable of survival as the agricultural village.

Imperialism is built on the principle of conquest and exploitation. World co-operation represents a higher economic level than conflict and exploitation, and therefore a level beyond imperialism.

Once a level of world economy is reached, a social form beyond imperialism expresses the new system of world production. That form is apparently a co-operative commonwealth composed of producing units (transport, building, agriculture, mining), just as the imperial state is composed of political units (Scotland, Ireland, Canada, South Africa, India).

The force that effects the transition from the imperial state to the world federation of producer groups is the labor movement. The struggle to effect the transition is the proletarian revolution. The producers, once in control of the economic and political machinery, establish a new economy and organize a new social order. The proletarian revolution sweeps away the forms of capitalist imperialism. After clearing the ground of the old order it begins the process of building a new system of economy and of social organization. Until the economic foundations of imperialism are destroyed, however, the building of a classless society is impossible.

§80. THE LABOR MOVEMENT

Organized business and organized labor are twin children of the industrial revolution. Before the Industrial Revolution, the lines between industrial owner and

industrial worker were not sharply drawn. Both worked, as they do to-day in many parts of China, as members of a producing family. Consequently, industrial owners (masters) and workers (journeymen) were organized together in the same guilds.

After the Industrial Revolution, the new machine industry gradually separated owners and workers. The former became the controlling element in social and political affairs, setting up the bourgeois state and the system of bourgeois culture as bulwarks against any possible enrichment of the wage-earning masses that were subject to their exploitation.

Economic developments intensified this class struggle. Mass production meant massed labor. Larger ships were built. Immense factories were opened. Mining became a great industry. Rail systems employed thousands. The pressure, under this new system of work, was intense. Labor power was bought, on the open market, by the highest bidder. Living costs rose. The workers were caught and crushed between two faces of a vice. They were exploited by the job-owners, robbed by the landlord, and starved by the trader until they literally could not live. But they could organize and they could fight. The result was the labor movement.

In Great Britain, where modern industrialism and modern labor organization first developed, half of the nineteenth century had passed before the labor movement was well under way. It was another fifty years before the movement was able to assert itself with any great hope of success against the organized power of the business class. The labor movement, as a force in public affairs, might almost be called a product of the twentieth century, so recently has it reached a

position of power, even in those countries where it developed earliest.

There are three chief phases of the labor movement: trade unions, co-operative and political organizations. Unions came first, with the efforts of the workers to raise wages, to reduce working hours, and to obtain decent working conditions. The unions also took part in the struggle for the franchise, for public schools, for women's rights, for currency reform, for improved housing. As time went on, however, the unions confined themselves more and more to the industrial field with intensified struggle against the highly organized job-owners.

Meanwhile the co-operative movement had been started, first in Great Britain and later in the chief industrial countries of Europe. Co-operative colonies; consumers' co-operatives and producers' co-operatives were all organized during the nineteenth century as a means of protecting the working masses against industrial exploitation and of building the structure of a new society within the framework of the old.

Political labor movements, on a class-conscious basis, are of relatively late growth. There have been sporadic attempts, in the United States, to organize the working class politically, but even to-day the American workers are so little class conscious that more than 95 per cent of them vote the same ticket as the men who own their jobs, without any realization of what they are doing.

Until the end of the nineteenth century the trade union movement, the co-operative movement and the struggle for the organization of political labor parties were practically restricted to the chief industrial countries of Europe, to the United States, Canada and

Australia. It was during the first quarter of the twentieth century that the labor movement assumed world-wide proportions.

Labor unions are the basis of the labor movement. Their development during the past few years gives an excellent idea of the way in which the labor movement has swept across the world.

Before the War of 1914 the trade unions of five countries—France, Germany, Great Britain, Italy and the United States—had more than three-quarters of the trade union membership of the world. If to these five were added Australia, Austria, Belgium, Canada, Denmark, Holland and Sweden, practically the entire trade union membership of the world would be accounted for. Thus a dozen countries, the centre of capitalist industry, contained the world's trade union membership as lately as 1910.

Already a change was taking place, however. Industrialism was penetrating eastern Europe, Asia, Africa and Latin America, and the labor movement put in an appearance wherever capitalist exploiters established their industries. It was during the war, however, and particularly during the revolutionary years from 1917 to 1920 that the trade union movement made its most spectacular gains.

World trade union membership had numbered about 13,000,000 in 1914. Membership for 1920 stood at about 46,000,000. Three-quarters of this membership was in the seven leading industrial countries, but there were twelve million trade union members in countries, many of which had barred the trade union movement prior to the war.

Mexico, China and Russia are good examples in this class. There was no trade union movement to speak

of in these countries prior to 1910. The Mexican Revolution began in 1910; the Chinese Revolution began in 1911; the Russian Revolution in 1917. In 1926 the trade union membership in these three countries totaled about 12,000,000: Mexico, 1,500,000; China, 1,250,000; Russia, 9,250,000.

There was a slump in trade union membership between 1921, when it stood at 46 million, and 1924, when it was 36 million. Reaction, white terror, hard times and war weariness were chiefly responsible. After 1925 a new period of advance set in. Russia alone, a country practically without unions until 1905, reported a total membership in 1928 of 10,500,000, or more than a quarter of the entire world membership.

The co-operatives and the political labor movement followed the same general course: rapid expansion during the opening years of the present century; spectacular developments through the war period; a slump; and then, after 1923-1924, slow growth.

The labor movement, as a world force, dates primarily from the War of 1914-1918. It required these devastating war experiences and the enlightenment that accompanied the Russian Revolution to convince the workers that their way forward lay through the expropriation of economic and political machinery and its use in a producer-controlled society.

§81. PROLETARIAN REVOLUTION

Capitalist imperialism swept across the world during the years that preceded the War of 1914. Proletarian revolution followed. Organized labor power, called into being by the economic forces growing out of the industrial revolution, expressed itself in the proletarian revolution and revolutionary movements of 1917-1923.

In Russia the movement succeeded in destroying the structure of imperialism; in Hungary, Germany, Austria, Italy, less was accomplished, but the movement showed itself as the one driving force opposing imperialism.

During the War of 1914 and the years immediately following it, the small shopkeepers, the professional class (the "liberals" and "intellectuals") took sides almost to a man with the imperialists. While the war was on they helped to win it. After the war was over they helped to bolster up the crushed structure of capitalist imperialism and to prepare it for its next slaughter fest.

The Social Democrats and the labor bureaucrats joined hands with the petit bourgeoisie in their effort to rehabilitate capitalism. The left wing of the labor movement, led by the Communists, actively continued the class struggle, pointing out the impossibility of capitalist stabilization; the inevitability of further wars; the immense and growing success of the workers' and farmers' Soviet society.

It was these revolutionary elements, organized after 1922 in 56 countries, that became the ideological leaders of the militant world labor movement,—carrying on a campaign against capitalist imperialism and its war preparations on the one hand and against reaction in the labor movement on the other.

The post-war period saw the lines of world struggle re-forming. The persistence of the Soviet Union gave a rallying point for the militant labor forces. The success of Soviet economy heartened the class-conscious masses everywhere. If the workers and farmers could achieve such results in Russia, why not in other parts of the world?

In the Soviet Union, where, alone, the proletarian

revolution had gained and held power, a new economic and social system began to take form,—first under war communism; then under the New Economic Policy, adopted in 1921-1922, and later under the Five-Year Plan of 1928-1933.

§82. THE NEW ECONOMY

This new Soviet economy was an alternative to capitalist imperialism. It included:

(1) A scientific economic plan that replaced the economic chaos of capitalist industry by a planned economy under a central directing agency.
(2) The contemplated establishment of a world economy and a world administration of producers in place of a multitude of competing capitalist states and empires.
(3) Citizenship in terms of occupation rather than of birth-place or dwelling-place.
(4) The social ownership and control of resources and production goods: land, timber, coal, iron, oil, railroads, factories, grain-elevators.
(5) Production for use: the conversion of wheat into bread; of cotton into cloth; of lumber into houses; for the purpose of feeding, clothing and housing people, and not for the profit of an owning ruling class.
(6) Guaranteed livelihood: a share of the product for each producer, so that as long as a person takes part in production, he need never fear poverty, except such poverty as all other members of the group must suffer.
(7) Socialized leisure: the short workday; the limited work week; yearly vacations with pay; the opening of libraries, museums, concerts, operas, dramatic performances to the masses. A chance for all to

share in whatever cultural opportunities society may have to offer.

(8) A non-exploiting, classless society, in which no one person or group of people can live without productive activity upon the wealth produced by others, —a society in which the working class and leisure class of capitalism are replaced by a system under which all able-bodied adults take part in production and all share in leisure.

In terms of social history, such a social system is beyond civilization. Its production form is new, and on its new production form men are building a social order that will be as different from civilization as civilization is different from barbarism. Thus the proletarian revolution, a child of the industrial revolution, is a part of the transition process from capitalist-imperialist economy and social organization to a new economy and a new social order.

§83. TRANSITION

To-day the world is passing through this transition stage,—the period of the proletarian revolution. During this period two social systems exist side by side. Western Europe is still composed of militarized empires whose ruling classes conquer and exploit in Morocco, Egypt, Syria, India, Java, China. On the other side of the *cordon sanitaire*, in the Soviet Union, the organized workers and farmers have overthrown czarist imperialism, and are building a co-operative, classless society.

Revolutionary situations, such as that which existed in China during the first quarter of the twentieth century, force this contrast between capitalism and sovietism roughly into the foreground: shall the Chinese Republic, born of the revolution that began with the

Boxer Movement in 1899, and that began actively to shake off the fetters of imperialism during 1919-1926, follow the line of capitalist imperialism or the line of sovietism?

Really, there is little choice. The forces of social revolution have pushed matters so far that no new, vital society can put on the garments of a system so far decayed and outgrown as capitalist imperialism. China, Egypt, Turkey, India—agricultural communities moving forward to a level of industrial production in an era when the foundations of a world economy are already firmly laid,—cannot adopt the restrictions, localisms and competitive formulas of capitalist imperialism. It is too late in social history for such a line of development. Instead, they must find a social form better adapted to a system of world economy.

§84. ECONOMIC SUCCESSES OF THE NEW ORDER

Success has attended the initial efforts of the organized producers in the Soviet Union to find forms that will meet the demands of the new social order. The new institutions with which the Soviet producers are experimenting are already proving more effective than those of civilization. Economically, they are paying their way by meeting the current charges on industry; they are producing a standard of living for the masses of people that has risen steadily since the end of the civil wars; they are furnishing new capital for both agriculture and industry. Every other important country in Europe, during this same period, has been sustained by credits from the United States. The economic developments in the Soviet Union have been based on capital secured almost exclusively from within the Union.

These improvements in production and increases in capital outlay have been accompanied by decreases in the length of the working day; the lengthening of the periods of vacation with pay for all workers; the establishment of a widely extended system of old age, sickness, accident and unemployment insurance; the organization of an amazing system of public preventive health work.

In another direction Soviet economy has provided a widespread cultural life: in the field of literature, drama, music, the arts, in which the masses participate on an increasing scale. The Soviet educational system is without question the most significant field of experimental educational activity that is to be met with anywhere in the world.

In its relations with its weaker neighbors the Soviet Union had shown a non-aggressive and non-imperial policy. Instead of trying to exploit and subjugate, the Soviet Union is aiming to liberate, to integrate and to advance local cultural standards.

These important results have been achieved under the direction and impetus provided by organizations of producers: the trade unions, numbering more than ten million members; the co-operatives with eighteen million members; the Communist Party and the Young Communist League, with two and a half million members.

Here is a new type of economy; a productive system essentially different from that of capitalist imperialism; a new basis for livelihood; a new social pattern. Business for profit, confined within the narrow limits of the civil state, built in conquering, exploiting, competing empires. Its economy was of necessity local. The Soviet system provides a basis for a world economy.

As this new form of economy proves more advantageous than the old, it will be adopted. The working masses will find the poverty, unemployment and war of capitalist imperialism even less endurable while they have before them an example of a more effective mode of securing a livelihood. In each revolutionary situation, as it arises, the masses will have a more definite goal. The greater the success of the Soviet economy, the sooner will come the proletarian revolution in capitalist countries.

Mankind uses the best available methods for accomplishing desired results. No sooner is a new means discovered than an old one is abandoned. Cultural advances through the ages have been made on this principle. Copper implements took the place of wood and stone implements; bronze replaced copper; iron superseded bronze; steel replaced iron. Thus has society been transformed, through savagery, through barbarism, through civilization; and thus it is still being transformed, faster and farther than in any previous historic period.

A successful Soviet economy will drive out capitalist economy as the electric bulb drove out the kerosene lamp. World economy will displace the circumscribed economy of the civil state as agriculture displaced hunting, fishing and nomadic pastoral life.

Success for the system of economy now being tried out in the Soviet Union means the passing of civilization with its cycles of imperial struggle; the abandonment of exploitation, plunder and war; the building of a new social order on the foundations of this new system of production.

Imperial cycles followed one another so long as the same general productive basis remained at the founda-

tion of society: business for profit within the civil state. With the coming of the machine age—the period of the great revolution—history entered a new phase; the race turned a corner, leaving behind civilization and imperialism; moving forward to an era of social production,—a world economy; a co-operative society.

DATA

DATA

The preceding pages contain the text of an argument regarding the characteristics of the imperial cycle, and the relation of imperialism to civilization. On the following pages there are notations from outstanding and relevant sources of information upon which the argument in the text is based.

These items have been carefully selected from a great mass of material, since only a small portion of the notes that the author has in his possession could be printed in a single volume. The aim, in making the selection, has been to include material of a specific nature that is not easily available to the reader.

Most of the material printed in the following pages refers to the period prior to 1815. Since that time, economic and social data have been collected wholesale. In the earlier periods, however, where economic and social information is less accessible, more extensive notes are printed here.

No attempt has been made to make the material under any one section complete. It aims to be merely suggestive and informative.

If the thesis advanced in this study is sound, a great deal of investigation and research must be done in order to fully establish the detail of the imperial pattern that is here outlined. In the present work the author has aimed to go far enough to convince the student that a pattern exists, and that its main outlines are clear enough to justify the generalizations contained in the text.

DATA

§1. EXPANSION OF THE INDUSTRIAL NATIONS

"From the years which saw the entry of Portugal and Spain into lands beyond the sea to the present day the great, outstanding factor in the world's affair has been European aggression." Abbott, *Expansion of Europe*, Vol. I, p. 107.

Area of the Principal Empires in Thousands of English Square Miles

	1862	1888	1912
British Empire	4,600	9,300	10,800
Russian Empire	7,600	8,600	10,200
Turkish Empire	1,800	1,300	700
United States	1,500	3,500	3,700
France with Colonies	400	1,100	4,800
Germany with Colonies	240	600	1,200
Austria-Hungary	239	241	241
Japan with Colonies	150	150	260
Italy with Colonies	100	110	700

Lenz, *Macht und Wirtschaft*, p. 168.

"Some of the most serious problems in the world have arisen out of the contact of the white with the darker races. When the latter peoples have a firm social organization, as in the cases of Japan, China, Persia and Turkey, they may be strong enough to withstand subjugation by the whites; and their resistance may be strengthened by the vast extent and geographic situation of the territory which they occupy. But in the cases of such peoples as the African negro and the American Indian, the West has swiftly and surely established complete control; though not without wars, and subject to the ever-present fear of revolts and murmurings which, as in the case of the American aborigines, is terminated only when the natives become virtually extinct!"

Buell, *International Relations*, p. 291.

§2. THE WORLD RULERS

"Europe includes scarcely a twelfth of the land upon the globe, and yet over three-fifths of the world is to-day either occupied by peoples of European origin or ruled by European states. The possessions of France in Asia and Africa exceed the entire area of Europe; even the little kingdom of the Netherlands administers a colonial dominion three times the size of France. The British Empire, of which the island of Great Britain constitutes but a hundredth part, includes one-fifth of the world's dry land. Moreover, European peoples have populated the United States, which is nearly as large as all of Europe, and they rule all of Mexico and South America."

Robinson & Beard, *Outlines of European History*, Vol. II, p. 103.

"Ten imperialist nations of to-day possess colonies and protectorates which, taken together, are seven times the size of Europe and half the earth's total land surface. Six hundred million human beings, a third of the human race, are directly subject to imperialist domination. Even these figures, astonishingly large as they may appear, are admittedly incomplete. Yet it is problematical whether one should add Norway's recent acquisition of Spitzbergen, or Denmark's colony of Greenland, or Iceland. On the other hand we have omitted countries such as China, Persia, Turkey, Abyssinia, Afghanistan, and several Latin-American states which have been very definitely affected by imperialism, though at the moment they may be considered independent. If they were included in our totals, we would have about two-thirds of the world, with more than a billion inhabitants, in colonies, protectorates, and 'backward countries' which have been subject to European, American, or Japanese imperialism."

Moon, *Imperialism*, p. 513.

COLONIAL POSSESSIONS OF THE GREAT POWERS
(In millions of square kilometers and in millions of inhabitants)

	COLONIES				"HOME"		TOTALS	
	1876		1914		1914		1914	
	Area	*Pop.*	*Area*	*Pop.*	*Area*	*Pop.*	*Area*	*Pop.*
Britain	22.5	251.9	33.5	393.5	.3	46.5	33.8	440.0
Russia	17.0	15.9	17.4	33.2	5.4	136.2	22.8	169.4
France	.9	6.0	10.6	55.5	.5	39.6	11.1	95.1
Germany			2.9	12.3	.5	64.9	3.4	77.2
U. S. A.			.3	9.7	9.4	97.0	9.7	106.7
Japan			.3	19.2	.4	53.0	.7	72.7
Total	40.4	273.8	65.0	523.4	16.5	437.2	81.5	961.1

COLONIAL POSSESSIONS

	Area	Population
Colonies of other powers (Belgium, Holland, etc.)	9.9	45.3
Semi-colonial countries (Persia, China, Turkey)	14.5	361.0
Other Countries	28.0	289.2
Total Area and Population of the World	133.9	1656.6

Lenin, *Imperialism,* pp. 63-4.

§4. WAR AND COLONIAL REVOLT

"An exhaustive list of the military operations since 1878 shows that during 40 years there have been only 4 in which the world was everywhere at peace,—1886, 1888, 1889 and 1910.

Wars of the World—1878-1918.[1]

1878-1882—Afghan Wars (Great Britain and Afghanistan).
1879-1883—Nitrate War (Chile against Peru and Bolivia).
1885 —Bulgarian Revolution.
1879 —Zulu War (British campaign against the Zulus).
1880-1881—First Boer War (Great Britain and Boer settlers).
1881 —Russian operations in Turkestan.
1882-1885—French colonial wars in Annam.
1882-1898—British occupation of Egypt.
1883 —Military revolt in Spain.
1884 —Russian operations in Afghanistan.
1885 —Serbo-Bulgarian War.
1887 —First Abyssinian War (Italian invasion of Abyssinia).
1890 —War between Guatemala and San Salvador.
1891 —Military revolt in Portugal.
1891 —Chilean Revolution.
1892 —Revolts in Argentina.
1892 —French operations in Dahomey.
1892 —Revolt in Venezuela.
1893 —Hawaiian Revolution.
1893 —Revolt in Sicily.
1893 —Spanish operations against Moors.
1893 —Brazilian Revolution.
1893 —Argentine Revolution.
1894 —Hottentot Revolt in German Southwest Africa.
1894-1895—Chino-Japanese War.
1896 —Insurrection in Crete.
1896 —Anti-Armenian riots in Constantinople.
1895-1896—Ashantee War (Great Britain against Ashantee tribesmen).
1896 —British bombardment of Zanzibar.
1896 —Revolt in Philippines.
1896 —Second Abyssinian War (Italians against Abyssinians).
1897 —Greco-Turkish War.
1895-1898—Cuban Insurrection.
1898 —Spanish-American War.
1899-1900—Philippine Insurrection.
1899-1902—Second Boer War (Great Britain against Transvaal and Orange Free State).

[1] This list is from data compiled in the Library of the General Staff College, United States Army.

1900-1901—Boxer Uprising and Allied Relief of Peking.
1901 —Colombian Revolution.
1902 —British operations in Somaliland.
1903 —British operations in Tibet.
1903-1908—Herero Rising (German operations against natives of German Southwest Africa).
1904-1905—Russo-Japanese War.
1908-1909—Civil War in Morocco.
1908 —Italian operations in Somaliland.
1908 —Haitian Revolution.
1909 —Rebellion in Santo Domingo.
1909 —Civil War in Nicaragua.
1911 —Italo-Turkish War.
1912 —Mutiny of native troups in French Morocco.
1912 —Mexican Revolution.
1912-1913—First and Second Balkan Wars.
1915-1918—World War.

Bakeless, *Economic Causes of Modern War*, pp. 46-7.

Revolutionary Movements that occurred between 1910 and 1925.

Mexican Revolution of 1910.
Chinese Revolution of 1911.
Russian Revolution of 1917.
Revolution in Finland, March, 1918.
Rice Riots in Japan, August, 1918.
German Revolution, November, 1918.
Austrian Revolution, November, 1918.
Hungarian Revolution, 1919.
Rebellion in Korea, March, 1919.
Soviet Revolution in Bavaria, April, 1919.
Nationalist Revolution in Turkey, January, 1920.
Seizure of Italian land and factories, September, 1920.
Revolutionary Movement in Germany, March, 1921.
Rebellion in Bulgaria, September, 1923.
German Revolutionary Movement, Autumn, 1923.
Rebellion in Morocco, 1925.
Rebellion in Syria, 1925.
Revolutionary Movement in China, 1925-1927.

§6. "EMPIRE," "IMPERIAL," "IMPERIALISM"

Empire:

"A term now used to denote a state of large size and also (as a rule) of composite character, often, but not necessarily, ruled by an emperor —a state which may be a federation, like the German empire, or a unitary state, like the Russian, or even, like the British Empire, a loose commonwealth of free states united to a number of subordinate dependencies." *Encyclopedia Britannica*, 13th Edit., Vol. IX, p. 347.

"By an empire we mean a group of nations subdued and ruled over by the most powerful among them." Breasted, *Ancient Times*, p. 83.

"As a policy it is as old as civilization itself; an empire was established by the Hyskos which extended from Euphrates to the Nile, and a great Egyptian empire was established by Thothmes III."
Encyclopedia Americana, 1928 edit., Vol. XIV, p. 724.

Imperialism:

"1. The power or government of an emperor; imperial authority or system.

"2. The policy, practice or advocacy of seeking, or acquiescing in, the extension of the control, dominion, or empire of a nation, as: *a*. By the acquirement of new territory or dependencies, especially when lying outside the nation's natural boundaries, or by the extension of its rule over other races of mankind, as where commerce demands the protection of the flag, cf. anti-imperialism. *b*. By the closer union of more or less independent parts for operations of war, copyright, internal commerce, etc., as in the case of the British Empire, advocated by same." *Webster's New International Dictionary*.

The word Imperialism has been introduced bodily into many modern languages: impérialisme (French); imperialismo (Italian); imperialismus (German); emperealism (Russian); imperialismo (Spanish).

"Le substantif *impérialisme* ne figure pas dans le plus récent de nos grands dictionnaires, celui de Hatzfeld et Darmasteter, et l'adjectif *impérialiste* n'y revêt d'autre signification que celle de partisan de l'Empire.' Cependant, ces deux termes sont d'un usage courant, dans un sens plus large, depuis un demisiècle, ou peu s'en faut."
Rod, *L'Impérialisme*, p. 376.

The extensive use of "imperialism" began very recently. "Imperialism" first appeared in the *New International Encyclopedia* in 1904. *The Encyclopedia Britannica,* 1929 edition, does not list the word. *The Encyclopedia Americana,* edition of 1925, lists "Imperialism." "Imperialism" does not appear in Palgrave's *Dictionary of Political Economy,* 1923 edition. The *Handwörtenbuch der Staatswissenschaften,* edition of 1923, devotes a short section to "Imperialism," but the word did not appear in the 1910 edition of the same encyclopedia. *La Grande Encyclopedie* (no date) does not give "Imperialisme," nor does the *Nueva Encyclopedia Italiana,* edition of 1881. As late as 1919 the German economist Sombart published a very important two volume work, *Der Moderne Kapitalismus,* "Imperialism" does not appear in the index.

The same thing is true of the economics text books generally used in the schools and colleges of the United States.

"Sistema y doctrina de los imperialistas. Régimen imperial. Opinión favorable á este régimen. Teoría política apologista de los emperadores, según la cual los grandes factores históricos obran siempre influídas por el destino de un hombre. Doctrina política de la expansión colonial."

Enciclopedia Universal Ilustrada, Europeo-Americana, 1925 Edit., Vol. XXVIII, p. 1073.

"The national policy which tends toward the expansion of national domination and national ideas over a geographical area wider than that of national boundaries."

Encyclopedia Americana, 1928 Edition, Vol. XIV, p. 724.

"Imperial state, character, authority of spirit; the system of imperial government; ambition to form an empire; a policy of territorial expansion; as used in France, the spirit of the Napoleonic empire, or advocacy of it or of its revival."

Funk and Wagnall's Standard Dictionary.

"Heute aber hat das Wort Imperialismus, vornehmlich unter dem Einfluss Marxistischer von der materialistischen Geschichtsauffassung Marxens herrührender, sowie pazifistischer Vorstellungen schon eine ganz allgemeine Bedeutung und umfasst jede wirtschaftliche wie Völkische und politische Macht oder Ausdehnungsbestrebung überhaupt, ohne Rücksicht auf den Gegenstand."

Handwörtenbuch der Staatswissenschaften.

"Il s'agit d'un mouvement qui, dans l'âme des foules, grandit. On lui a donné le nom de 'sentiment imperialiste.' Phénomène psychologique fort ancien, il est depuis peu à la monde" (p. 9).

"Il prend la forme complexe d'un sentiment social, d'un mouvement, d'une opinion presque instinctive, d'une palpitation de foules, mais dont les éléments sont hétérogènes comme, dans nôtre civilization, la plupart des émotions." (pp. 9-10).

Hennebicq, *Genèse de l'Impérialisme Anglais.*

"That wonderful system which Julius Caesar and his subtle nephew erected upon the ruins of the republican constitution of Rome has been made the type of a certain form of government and of a certain set of social as well as political arrangements, to which, or rather to the theory whereof they are a part, there has been given the name of Imperialism. The sacrifice of the individual to the mass, the concentration of all legislative and judicial powers in the person of the sovereign, the centralization of the administrative system, the maintenance of order by a large military force, the substitution of the influence of public opinion for the control of representative assemblies, are commonly taken, whether rightly or wrongly, to characterize that theory."

Bryce, *Holy Roman Empire*, p. 378.

"Imperialism is the overseas economic expression of Western civilization. It has brought into existence the two great conflicts which constitute the major problems of the modern world. The first is the conflict between industrialized nations for the control of markets and sources of raw materials, for opportunities to invest capital, for the facilities of international communication, for colonies, and for spheres of influence in economically backward areas of the earth. The second conflict is between peoples of the Occident and of the Orient."

Culbertson, *Raw Materials and Food Stuffs, Annals*, March, 1924, p. 124.

"Ainsi le sens de ce mot 'Imperialisme' nous semble maintenant plus précis il représênte simplement le besoin d'expansion propre à tous les êtres et à toutes les collectivités qui se développent, croissent, élargissent leur place, absorbent plus d'air, plus de lumière ou plus d'espace."

Rod, *L'Impérialisme*, p. 401.

"Der Imperialismus ist ein Atavismus. Er fällt in die grosse Gruppe von Ueberlebseln früherer Epochen, die in jedem konkreten sozialen Zustand eine so grosse Rolle spielen, zu jenen Elementen jedes konkreten sozialen Zustands, die nicht aus den Lebensbedingungen der jeweiligen Gegenwart sondern aus den Lebensbedingungen der jeweiligen Vergangenheit zu erklären sind, vom Standpunkt der ökonomischen Geschichtsauffassung also jeweils aus den vergangenen, nicht aus den gegenwärtigen Produktionsverhältnissen."

Schumpeter, *Zur Soziologie der Imperialismen*, p. 49.

"The policy by which a people or an autocrat acquires and maintains an empire, we call imperialism."

"The logical issue of a thorough-going imperial policy is the formation of an universal empire."

Ferguson, *Greek Imperialism*, p. 4.

"Imperialism is the greatest power in the world to-day, for it combines with the force and inspiration of national needs and ideals a code of international conduct, aiming at the spread of law and the maintenance of peace."

Grigg, *The Greatest Experiment*, p. 171.

"Imperialism is a depraved choice of national life, imposed by self-seeking interests which appeal to the lusts of quantitative acquisitiveness and of forceful domination surviving in a nation from early centuries of animal struggle for existence."

Hobson, *Imperialism*, p. 390.

"Modern Imperialism has for its object economic invasion" (p. 4).

"Imperialism may be defined as the utilization by any people of its political and military ascendency, for subjecting to its economic encroachment some foreign country or territory or race" (p. 6).

Wong Ching-Wai, *China and the Nations*.

"Imperialism . . . undeniably represents a particular phase of capitalist development." (p. 73.)

"We have seen that imperialism is, in its economic essence, monopoly capitalism." (p. 103.)

"If it were necessary to give the briefest possible definition of imperialism, it would be defined as the monopoly stage of capitalism." (p. 71.)

"Imperialism is the epoch of finance-capital and of monopolies, which introduce everywhere the tendency to domination, not to freedom. . . . Particularly acute becomes the yoke of national oppression and the striving for annexations, i. e., the violation of national independence." (p. 101.)

"From all that has been said in this book on the economic nature of imperialism, it follows that we must define it as capitalism in transition, or, more precisely, as dying capitalism." (p. 106.)

Lenin, *Imperialism.*

§8. ECONOMIC INTERPRETATION

"Inventions and discoveries stand in serial relations along the lines of human progress and register its successive stages, while social and civil institutions, in virtue of their connection with perpetual human wants, have been developed from a few primary germs of thought. They exhibit a similar register of progress. These institutions, inventions and discoveries have embodied and preserved the principal facts now remaining illustrative of this experience."

Morgan, *Ancient Society*, Preface, p. vi.

Morgan's Classification of Culture Stages

I. *Lower Status of Savagery:* From the Infancy of the Human Race to the commencement of the next Period.

II. *Middle Status of Savagery:* From the Acquisition of a fish subsistence and a knowledge of the use of fire, to etc.

III. *Upper Status of Savagery:* From the Invention of the Bow and Arrow, to etc.

IV. *Lower Status of Barbarism:* From the Invention of the Art of Pottery, to etc.

V. *Middle Status of Barbarism:* From the Domestication of animals in the Eastern hemisphere, and in the Western from the cultivation of maize and plants, by Irrigation, with the use of Adobe-brick and stone, to etc.

VI. *Upper Status of Barbarism:* From the Invention of the process of Smelting Iron Ore, with the use of iron tools, to etc.

VII. *Status of Civilization:* From the Invention of a Phonetic Alphabet, with the use of writing, to the present time.

Morgan, *Ancient Society*, pp. 12-13.

Karl Marx discusses the influence of production on history.

"In the social production which men carry on they enter into definite relations that are indispensable and independent of their will; these relations of production correspond to a definite stage of development of their material powers of production. The sum total of these relations of production constitutes the economic structure of society—the real foundation, on which rise legal and political superstructures and to which correspond definite forms of social consciousness." (p. 11.)

"At a certain stage of their development, the material forces of production in society come in conflict with the existing relations of production or—what is but a legal expression for the same thing—with the property relations within which they had been at work before. From forms of development of the forces of production these relations turn into fetters. Then comes the period of social revolution. With the change of the economic foundation the entire immense superstructure is more or less rapidly transformed." (p. 12.)

Marx, *Critique of Political Economy*, Preface.

§10. CIVILIZATION

"The gradual progress of the civilized communities from their early stage of small independent states to their final condition of vast empires."

Morris, *Civilization*, p. 890.

"Civilization is, when analysed, found to be a system of slavery. It has its beginnings in struggle and conquest, which fill a land with a population of conquerors and conquered—masters and slaves. Very quickly the system has the population in its grip. On the one hand, it teaches the masters needs they would never have felt had they been unable to satisfy them except by their own exertions; and having provided them with a supply of energy with which to carry out their

schemes, it lays upon them the burden of its constant direction and control. On the other hand, it teaches the slaves to work with a diligence and skill they would not have developed without compulsion, and out of the achievement of their labour it teaches them also new needs, among the chief of which are the necessity for guidance and restraint."

Spurrell, *Modern Man and His Forerunners*, p. 90.

"The development hitherto described has been built up by new elements on the foundation of the old, and the arrangements have always been in the same order:

1. Clan association.
2. The family.
3. Foreign trade and barter.
4. Authoritarian joint household.
5. Free handicrafts.
6. Capitalistic enterprise.
   (a) Wholesale business transactions.
   (b) Wholesale industrial manufactures.

We are able to follow with certainty the course of Germanic culture from its primitive beginnings, as described by Caesar and Tacitus, through all its phases up to the present day, a period of two thousand years. History places before our eyes a clearly defined stretch of development which offers us an extraordinary valuable opportunity of testing our theories."

Müller-Lyer, *History of Social Development*, p. 177.

§20. BEGINNINGS ON THE LAND

"Sumerian City-Kingdoms of about 3050-2750 B.C. These clay tablets tell us about a class of free, landholding citizens working their lands with slaves and trading with caravans and small boats up and down the river. Over both these classes, free and slave, there was a numerous body of officials and priests—the aristocrats of the town. They were ruled, along with all the rest, by a priest-king. Such a community owned the fields for a few miles round about the town. The

whole, that is, the town and its fields, formed a city-kingdom. Sumer as a whole consisted of a number of such small city-kingdoms, and this earliest Sumerian period may be called the Age of the City-Kingdoms."

Robinson & Breasted, *History of Europe,* Vol. I. p. 45.

"Thucydides thus describes early Greek life: 'without commerce, without safe communications either by land or sea, cultivating no more of their land than they required for bare subsistence, destitute of capital, never planting their land with fruits . . . they thought little of shifting their dwellings, and consequently neither built large cities nor attained to any other kind of greatness! . . .'

"These men made their living, so far as they made it at all, and did not merely rob it, by cultivating the soil. They lived by the land."

Zimmern, *Greek Commonwealth,* p. 223.

"Long after the Greeks had seized the Aegean world they remained a barbarous people of flocks and herds.

"As each Greek tribe settled down and became a group of villages, the surrounding land was divided among the families by lot. Private ownership of land by families gradually resulted.

"There were soon hundreds of such Greek city states. Indeed, the entire Aegean world came to be made up of such tiny nations. It was while the Greeks were thus living in these little city-kingdoms under kings that Greek civilization arose, especially during the last two and a half centuries of the rule of the kings. (1000-750 B.C.)"

Robinson & Breasted, *History of Europe,* pp. 89-91.

"Rome in the fourth century, and especially the second half of that century, was a city of peasants. . . .

"The basis of the economic life of Rome in the fourth century was peasant husbandry, a primitive agricultural system of life in which all the members of a family worked hard in the fields. . . .

Rostovtzev, *Social and Economic History,* pp. 13-14.

"L'histoire de l'Italie commence par une économie sans capitaux: la terre est la propriété commune, indivisé de *gentes* liées par des liens d'agnation et organisées d'une façon patriarcale."

Salvioli, *Le Capitalisme,* p. 257.

§21. UNIFICATION OF LOCAL GROUPS

"The population [of Egypt] had perhaps almost nothing to fear from the nomad—less probably in the Nile Valley than in the Tigris-Euphrates system, causing Egypt perhaps to be won earlier than Mesopotamia. There is almost no nourishment for man in the unmitigated desert surrounding Egypt. . . . The sea in ancient times was a sufficient barrier, and it was only in Greek times that it was effectually penetrated." Cowan, *Master Clues,* pp. 46-7.

"Never before in history had a single brain wielded the resources of so great a nation and wrought them into such centralized, permanent, and, at the same time, mobile efficiency, that for years they could be brought to bear with incessant impact upon another continent as a skilled artisan manipulates a hundred ton forge hammer; although the figure is inadequate unless we remember that Thutmose forged his own hammer. . . . He was the first to build an empire in any real sense; he was the first world-hero."
Breasted, *Reign of Thutmose III,* Cambridge Ancient History, Vol. II, pp. 86-7.

The Persian Empire (organized fully by Darius the Great, 521-485 B.C.) "stretched from the Indus River to the Aegean Sea [almost as long as the United States from East to West] and from the Indian Ocean to the deserts of the Caspian. . . . It demanded an effort of organization on a greater scale than any ruler had ever attempted before."

The organization begun by Cyrus, and completed by Darius, "remains one of the most remarkable achievements in the history of the ancient Orient, if not of the world."

Breasted, *Ancient Times,* p. 185.

"Subsequently the clans settle down in stable villages and form territorial groupings: it is at this moment that power begins to become individualized. . . . groups of clans with federal councils may exist."
Moret, *From Tribe to Empire,* p. 356.

Corinth was "the most powerful of the Peloponnesian cities, next to Sparta, and the richest of all". . . . She was situated at a land-water route junction, with two artificial harbors. The land was barren and consequently there was no agriculture. (p. 101.)

"Corinth stood in the first rank of the sea powers." (p. 104.)
Corinth founded at least eight colonies and established "a real Corinthian empire." (p. 105.)

Jardé, *Formation of the Greek People.*

The many small Greek cities of the sixth century B.C. were brought together into leagues. At first the motive was defense. Then, through coercion, the weaker cities were forced by the stronger to remain, in the leagues. Thebes, in Boetia, prior to 387 B.C. had formed such a league and was "the Prussia of Boetia." (p. 27.) Athens headed one such league. Sparta headed another.

Ferguson, *Greek Imperialism.*

"Greece failed to consolidate at this juncture, and expand vigorously westward, partly, no doubt, because of the Greek inaptitude for political administration, but chiefly because of her physical conformation. The lines of trade crossed her diagonally and not longitudinally, so that her provinces had few or no common material interests. Furthermore, while her commercial center lay at the isthmus of Corinth, which was the cheapest point in the basin of the Aegean for the distribution of cargoes bound west, her industrial center was situated at the silver mines of Laurium, near Cape Sunium. Accordingly, the interests of Athens and Corinth were antagonistic, as the Athenian commerce lay to the east and the Corinthian to the west, and formed two distinct and competing commercial systems."

Adams, *The New Empire,* p. 35.

"It was also about the end of the seventh century that the Etruscan armies succeeded at last in overwhelming Latium, and thus decisively connecting Campania with Etruria. Here and there princes took possession of the villages and, it would seem, assumed ownership of the land. At Rome the separate villages of the Palatine, Esquiline, and Quirinal hills were organized into one city about which a stone wall was built. The city came in time to be the seat of an Etruscan sovereign who ruled over all the lords of Latium. Palaces were built for the kings, and temples. Labour was imported to adorn the rapidly growing city, and a harbor was built at the mouth of the Tiber in order to invite Etruscan and Greek seafarers." (p. 22.)

"At the opening of the fourth century we find the Romans engaged on their own account in a mortal struggle with Veii, an Etruscan city twelve miles north of Rome and an old-time enemy. This city, if

we may judge from the remains, was at one time fully as large as Rome. Its fortifications were certainly as good, its territory was equally extensive, and the personal wealth of its citizens was probably greater. The struggle is said to have lasted eleven years. When the Romans finally won, they incorporated the enemy's territory into the Roman city-state, dividing it into four Roman wards and reallotting it in small citizen holdings, a procedure which seems to indicate that Rome did not here have the support of the league, and that the league's constitution at this time was so loose that individual members might carry on wars independently.

"A very important result of this victory was that it doubled Rome's territory, making her without question the largest city-state in Latium. Another result, ultimately of far-reaching consequence, was that the allotment of the extensive Veian territory in small holdings immensely increased the force of the Roman army, since soldiers of the line had to be men of property." (pp. 20-1.)

"The next forty years was a period of ferment within the league, caused apparently by the mutual jealousies of the various city-states, and especially by their common jealousy of Rome, now rapidly repairing the losses of 387. The recent doubling of Rome's territory enabled the city to absorb a far greater population than hitherto. Rome had a fairly safe harbor which attracted traders from Sicily, Carthage and Etruria, and by commanding a bridge over the Tiber she became the natural emporium for the products of both sides of the river. Rome thus offered the amenities of a more heterogeneous urban life than other Latin cities could afford, and the races of Italy have always been sociable. When we add that Latin immigrants to the city immediately secured all the civil rights of citizens, because of their common membership in the Latin tribe, we can readily understand how Rome might attract the surplusage of Latin population and grow doubly fast at the expense of less favorably situated or less progressive communities." (p. 22.)

Frank, *Roman Imperialism.*

"Rome created Italian unity by blood and iron. By curbing beneath her equal yoke the diverse peoples who shared the soil of the peninsula, she gave Italy the unity of a State. To pass from the unity of a State to the unity of a nation, and by the triumph of Latin to community of language, and to make the whole of Italy the Romano-Latin nation she became, required two more centuries."

Homo, *Primitive Italy*, p. 133.

The unification of Latium under Rome took about three hundred and fifty years. Homo entitles one chapter of his *Primitive Italy* "The Roman Middle Ages and the Armed Vigil of the Fifth Century." This was a period of consolidation and unification achieved through almost incessant warfare.

"Under the pressure of military necessities and also of economic needs, a new idea, the notion of the league, was conceived by the Prisco-Latini. . . . After a long series of troubles and intestine conflicts, the geography of Latium, after centuries of instability and fluidity, began to become fixed with the formation of the Alban league at some date, not precisely determinable, but prior to the formation of the Roman Septimontium. The whole body of the Latin peoples, or at least the great majority of them—forty in round numbers—united round the Alban Mount in an exclusive federation, in which the older local leagues were absorbed or obliterated."

Homo, *Primitive Italy*, pp. 73-4.

Rome "developed essentially as a community of small farmers. . . . We do not know what superiority in weapons, tactics, and the like gave the Romans an accumulating advantage, but it is reasonable to suppose that their tenacity and general virility, as against the more civilized sections, arose in some measure from their being a nation of small, free farmers, while their greater cohesion upon a plain crowned only with smaller hills made them victorious against the highlanders of the peninsula, upon whom weighed the usual curse of cantonal separateness. These farmers, too, held a strategic position on the banks of a river issuing from the mountains, but navigable from their city right down to the sea, if only for the small craft then necessary."

Cowan, *Master Clues*, pp. 84-5.

§22. THE GROWTH OF TRADE

"In Phoenicia, the earliest example of the modern state . . . industry and commerce are the prevailing considerations, and war a secondary one. . . .

"Phoenicia had no agricultural interests. And it had discovered a

better method of gaining wealth than the destructive process of conquest. . . .

In Phoenicia, then, a new political element displayed itself, the commercial city. The military stronghold was replaced by the special seat of commerce and industry, the most important of all aggregations of mankind." Morris, *Civilization*, p. 153.

In the sixth century B.C. the average Greek city was predominantly agricultural. There were exceptions, however.

"In the seventh century, B.C. some Greek towns, like Miletus, Samos, Corinth, Aegina, Chalcis, and Eretria, became cities in the modern sense of the term, with commercial and industrial interests predominant." Ferguson, *Greek Imperialism*, p. 10.

The family or *genos* was not self sufficient. "To exchange his surplus for what he lacks the head of the family goes to the market of the town. This is where internal traffic centres. Transactions of a simple kind bring the producer and consumer together. . . . Each does business only so far as he actually needs. No one makes a living by selling the products of others. . . .

"But at a very early date the home market ceased to be such that all families could dispose of their surplus and obtain what they lacked." (p. 48.)

"The agora, the town market, was originally a neutral, sacred ground where the members of different gene met for peaceful transactions such as exchange and arbitration. When the sovereignty of the city was extended over a larger territory there were "border agoras," protected against violence by religious laws. These markets did the same service as the Celtic *magus*, or the forum of Italy and Cisalpine Gaul. The regulation of the markets, so important in our Middle Ages, was no less so in antiquity. Everywhere festivals ensured for trade the protection of the gods. The temple regulations, confirmed by the laws, protected all who took part, whatever their country. It was forbidden to do them wrong, on pain of excommunication and death. . . .

"The protection which foreigners enjoyed in the markets and near the sanctuaries was often extended to them in the harbours, which were generally situated on the edge of an agora and in the neighborhood of a temple." (p. 113.) Glotz, *Ancient Greece*.

Corinth was the great commercial city of 700-500 B.C. Commerce

stimulated industry. She had to manufacture in order to export. There were many free workers and very many slaves.

"Corinthian industry was above all a luxury industry, producing articles which were small in weight and bulk but represented great commercial value. The textile industry worked linen fabrics, purple-dyed, embroidered garments, and hangings of many colours. The workshops produced beautiful furniture. . . . The bronze-workers manufactured mirrors and minor articles. . . .

"The most thriving industry was that of pottery. . . . The vases made in Corinth . . . were sent to the four corners of the ancient world."

The smaller vases were filled with oils, ointments and perfumes, which had a very wide market.

Jardé, *Formation of the Greek People*, pp. 105-6.

"No Hellenic product was ever so popular, or found so many markets, as the pottery of Corinth. From 650 to 550 it was exported in quantities to all parts of European Greece, to the islands, to the cities of Asia Minor except Miletos, all along the Euxine, to Syria, to Cyrenne, to Carthage, and above all to the western colonies, to the Etruscans, unequalled customers, and even to the Barbarian countries north and west of the Alps." (p. 138.)

Then Athens took the trade by superior workmanship.

"It is Attic pottery, then, that gives us the best example of a strong industry before the Persian Wars." (p. 140.)

Glotz, *Ancient Greece.*

"The effect of a successful war, which establishes any widespread political influence, supplies the conditions of easy inter-communication. Where there are many separate tribes or cities with frequently changing relations between them, there must be elements of insecurity and uncertainty which are not favourable to regular commerce. On the other hand the establishment of a wide empire on land, or of sovereignty by sea, gives the opportunity for peaceful commerce to arise, and it may do much more to promote it." (Vol. I, p. 4.)

"The main expenditure indeed was in war, and this is generally and rightly held to exhaust the material resources of a country; but Carthage carried on war as a trade, and, on the whole, made it pay. The conquest of new lands gave her an area from which she could draw tribute and also obtain soldiers for fresh campaigns; while the products of these countries furnished fresh objects of trade."

The army was made up of mercenaries from all over the world. It was "a signal demonstration of the wonders that can be wrought by the power of money." (Vol. I, p. 148.)

Cunningham, *Western Civilization.*

"In the oriental states which we have hitherto considered, commerce never grew to a position of decisive importance in the national life. . . . It served mainly the needs of luxury, and left untouched the economic position of the mass of the people. If we seek in the ancient Orient a nation whose very existence depended on trade we must look further.

"A truly commercial people we do find, however, in near neighbors of the Jews, the Phoenicians, who inhabited a strip of land on the coast of Syria and Palestine, scarcely ten miles wide in most places and little over a hundred miles long. They could gain a scanty food supply from the level ground, and had timber in abundance on the mountains that separated them from the interior, but had to look to trade with other peoples for the means of growth which their home denied them.

"From raw materials which were in many cases procured from other countries they manufactured products which found a market throughout the ancient world. Their cloths and glass were celebrated; they exported large amounts of metal ware; and they had a monopoly of the purple dye extracted from species of shell fish, which was highly prized throughout this period." (p. 12.)

"From the island which we now call England they procured tin, which is a very rare metal in Europe, and which was especially desired as a component of the important alloy bronze. They got coffee in Cyprus and Spain, also silver and iron in Spain, and gold and ivory in Africa. They carried westward the wares of the Orient." (pp. 13-4.)

Day, *History of Commerce.*

The commercial or industrial city has the means of procuring its own food; "it is safe against decay, because it obtains the necessary sustenance for its inhabitants indirectly from its own resources; because its own activity either as a commercial depot or a manufacturing centre, enables it to give as good as it gets. Hence the commercial and industrial city is a type of social organisation which shows a high degree of vitality."

Cunningham, *Western Civilization*, Vol. I, p. 93.

"The chief import [of Athens] was wheat. . . . Among other imports were ship-building materials, salt fish, slaves, raw materials for the Athenian manufactures, and articles of luxury."

Day, *History of Commerce*, p. 20.

Antioch, the metropolis of Syria, was "second only to Alexandria in importance, and to none in the wealth and gaiety which it displayed by day, or by night, when its streets were ablaze with artificial light. It lived by transport and had few manufactures of its own; there were market gardens and orchards outside the city, but it was a place of residence for the opulent merchant shippers of the East, who exchanged the goods of two continents and lived a life of ostentatious luxury. The well-paved streets, the magnificent temples and porticoes, gifts of wealthy princes or public spirited citizens. . . ."

Charlesworth, *Trade-Routes*, p. 46.

"The towns, so numerous in Crete, were markets by origin, and became important as such through the development of industry and navigation." (p. 185.)

"The potters now had the wheel and made clay as thin as metal." Goldsmiths put gold mountings on vases; engravers cut gems. Trade was carried on with upper Egypt, Cypress, etc. (2000 to 1800 B.C.) (pp. 38-9.)

Glotz, *Aegean Civilization*.

"However it was organized, industry, supported by active trade, seems to have brought in great profits."

Glotz, *Ancient Greece*, p. 142.

"D'ailleurs ses opérations ne scandalisaient certainement pas les Romains, qui avaient vu bien d'autres usures, qui avaient servi à élever des fortunes colossales et respectées. Le 4 per cent par mois état de règle dans les prêts aux villes de l'Orient. D'autres ne leur prêtaient qu' à 75 per cent par an, ou même plus."

Salvioli, *Le Capitalisme*, pp. 47-8.

In Solon's day interest rates were 18 per cent. By 450 money was available at from 10 to 12 per cent; manufacturing paid a profit of 30 per cent. A single voyage to the Black Sea or the Adriatic might net the owner 200 per cent on the cost of his goods, plus all expenses.

Breasted, *Ancient Times*, p. 345.

Hoarding was generally practiced in Greece until the Persian wars. After the fourth century, B.C., loans were made and investments estab-

lished. Houses were leased in Athens, for example, at about 8 per cent (p. 239).

Well managed fortunes during this period doubled or trebled in a few years (p. 239).

Slaves were leased, yielding, gross, about 30 to 40 per cent on the investment (p. 240).

Interest on loans was as high as 18 per cent. The normal rate was 12 per cent, and 10 per cent was considered very low. Many loans were made on mortgages at from 16 per cent to 18 per cent. (p. 243.)

Commercial loans brought from 8 to 9 per cent, while industrial loans returned as high as 20 per cent. Loans were made on ships for a period of seven months at 30 per cent of the value of the ship. On risky voyages the return was often as high as 100 per cent (p. 243).

In early Greece only the local surplus was sold. "Industry remained thus behind trade until the middle of the eighth century. Then, however, the mother cities had to supply their colonies, constantly growing more numerous and wealthier, with arms and utensils, textiles and vases of every kind. Soon, with the colonies serving as warehouses or manufacturing on their own account, Greece had to supply the increasing demands of the barbarian peoples. It was colonization and trade that set industry in motion." (p. 127.)

Glotz, *Ancient Greece.*

"In the Rome of the Civil Wars no shame was felt in lending money at exorbitant and fantastic rates of interest. Twenty-four per cent and even 48 per cent did not seem excessive to the contemporaries of Cicero. The latter rate was that claimed by the publicans who in the course of fourteen years multiplied sixfold the total of their demands upon the cities of Asia Minor upon which Sulla had imposed war contributions."

Louis, *Ancient Rome,* p. 210.

"The use of money produces disastrous effects in the country. Since all values are assessed in money (under the old economy in kind), the scale of prices is set up to the disadvantage of the countryman, in consequence of his ignorance on the subject and of the extension of the market to new lands. Natural products are assessed very low—you can buy a medimnus of grain (1 2-5 bushel) or a sheep for one drachma (9¼ d.) and an ox for five. So the peasant needs money, and he cannot get it. . . . Interest is enormous, because it is reckoned on the profits of over-seas trade. For the same reason loans are short-

date transactions. It is impossible to make up by intensive cultivation for the constant diminution of property and the low price of farm produce."

Glotz, *Ancient Greece*, p. 80.

§23. RISE OF THE BUSINESS CLASS

"From commerce, capitalistic enterprise soon extended to industry. For example, the slaves were not only made to work for domestic needs, but to manufacture goods for the market. Each of the better-class artisans in Athens had a couple of enslaved workers. Indeed, not infrequently a capitalist gave his slave a business or a booth in the market where he sold or worked for his master's profit. The richer slave owners built factories, in which numerous slaves produced articles wholesale for the market. Thus the father of Demosthenes had, as we know from his son's statements, two factories—a cutlery with thirty-three workmen and a chair factory with twenty—by means of which he made so much money that he was able to leave behind him a fortune of about forty talents. (One talent equals 235 pounds 1 s. 0 d.)"

Müller-Lyer, *History of Social Development*, p. 175.

"The Scheria of the Phaeacians shows the highest development of a commercial town in the Homeric age. The whole of its life centres on the harbour, with its ships and its stores. New requirements create in marine matters a separation of functions which were formerly merged. A city appears in which agricultural interests do not predominate. Therefore in certain places the landed and military aristocracy is succeeded by an aristocracy of wealthy ship-owners."

Glotz, *Ancient Greece*, p. 58.

See Breasted, *Ancient Times*, pp. 295 ff., for a description of the expansion of Greece following the industrial and commercial revolutions, which created a middle class, manufacturing, ship-building, and a search for markets all over the Mediterranean basin.

"Greek wealth had formerly consisted of lands and flocks, but now

men begin to accumulate capital in money. Loans were made, and the use of interest came in from the Orient. The usual rate was 18 per cent yearly. Men who could never have hoped for wealth as farmers were now growing rich. There arose a prosperous industrial and commercial middle class which demanded a voice in the government. They soon became a political power of much influence, and the noble class were obliged to listen to them. At the beginning of the sixth century B.C. even a noble like Solon could say, 'Money makes the man'."

Robinson & Breasted, *History of Europe*, Vol. I, p. 111.

"L'histoire d'Atticus est sans doute celle de ces deux milliers de riches que l'on trouvait à Rome, au dire de Cicéron, et qui étaient les maîtres de l'Etat romain, l'histoire de ces chevaliers qui, sortis d'une modeste origine, après avoir monopolisé la richesse monétaire, s'étaient mis à acheter des terres, détruisant ainsi les bases de l'ordre politique, faisant acquérir à l'argent la suprématie sur la naissance, transformant la constitution politico-économique de la société, qui devint une ploutocratie, et créant ainsi, une oligarchie qui, avec l'esclavage et le paupérisme, formait les trois anneaux d'une chaîne dont ancune partie ne pouvait être enlevée sans entraîner les autres."

Salvioli, *Le Capitalisme*, pp. 51-2.

The actual process of shifting power from land to trade was twofold.

(1) Landed aristocrats went into trade. (p. 75.)

(2) Business men bought or married estates. (p. 76.)

"Thus, while the noble makes money in business, the moneyed man invades landed property." (p. 76.)

"Wealth, thus formed into a class, requires industry and trade to procure new delights for it and to seek precious commodities for it in every country." (p. 77.)

Glotz, *Ancient Greece*.

"Derrière les légions conquerantes venait une foule de spéculateurs qui, poussés par l'instinct de la rapine, étaient prêts à toutes les besognes dans le but de s'enrichir. Ils achetaient le butin distribué aux soldats, ils se chargeaient de l'approvisionnement des troupes, de la fourniture du matériel de guerre, ils achetaient, ils vendaient, commençant d'abord par le petit commerce pour arriver petit à petit aux grands profits, aux grosses adjudications, aux prêts considérables. C'étaient des hommes sortis des couches inférieures de la population,

parce que les familles patriciennes méprisaient ces travaux et ces gains, la sordide occupation d'acheter et de vendre."

Salvioli, *Le Capitalisme*, pp. 221-2.

"The development of Roman power since the Punic Wars had resulted in a very large increase in the activities of the equestrian class and an extraordinary enlargement of their field of action. Tax-farming, contracting for public supplies, and banking, the three constituent elements in its wealth, thus found a new domain." (p. 341.)

"Together with the social importance of the capitalists, embodied primarily in the equestrian order, grew their influence upon foreign policy. These moneyed men, eager to swell continually the figures of their balances, worked tirelessly to open new outlets, and urged on the policy of expansion. But it was a long time before they came to have the last word. The dispute over the mines in Macedonia in 167 (B.C.) proves this." (p. 343.)

Homo, *Primitive Italy*.

"Capitalism, beyond doubt, was known to antiquity in the form of the concentration of considerable wealth in the hands of persons who derived from it interest, profits and surplus values and by their very wealth dominated the labour market. It mattered little whether labour were servile or free; the proprietors of the *latifundia*, and the shareholders of the great companies which exploited the mines and the forests in the provinces appropriated the fruits of the efforts of others. If buying and selling, both under the Empire and under the Republic, were never very active, production for exchange nevertheless established itself at an early period in the Roman world." (pp. 16-17.)

"The Roman *negotiators*, i. e., the merchants, brokers and agents, usually backed by usurers, spread through Europe and Asia, whilst the legions conquered new territory. Often indeed they preceded the legions, at the risk of their lives, and prepared by their negotiations the way for subsequent military operations. Suspected and threatened by the populations in whose midst they installed themselves, they nevertheless stood their ground. They patiently continued their work." (p. 198.)

Louis, *Ancient Rome*.

Towards the close of the second century before Christ, Gaius Gracchus outlined an economic policy and showed that "he had a clear

vision of the future of commerce and that he intended to raise up a commercial party for his own support. From his time the number of Italians resident in Delos steadily increases, Roman knights and financiers become a power to be reckoned with . . . Agricultural interests had formerly been predominant at Rome, but now the knights began to claim a voice in the government of affairs . . . Narbonese Gaul swarmed with Roman merchants and traders, and many more followed Caesar on his brilliant campaigns; Pliny's dictum that the Roman generals in their warfare always thought of commerce now begins to be true, but only now."

Charlesworth, *Trade-Routes,* pp. 3-4.

"An alliance between the Italian *bourgeoisie* and the Italian proletariate, headed by ambitious politicians and military leaders, resulted in the collapse of the hegemony of the two privileged orders of Rome, the senatorial and the equestrian, which together had formed a class of large half-feudal land-owners and business men who owed their material prosperity to the exploitation of the resources of the State and their political power to their wealth." (p. viii.)

"With the collapse of the immense fortunes of the imperial aristocracy and with the concentration of their wealth in the hands of the Emperors, the forms of the Hellenistic city-capitalism, based on commerce, industry, and scientific agriculture, revived again and developed rapidly under the benign influence of the peace and quiet re-established by Augustus. The representatives of this form of capitalism were the city *bourgeoisie*, which steadily increased in numbers and in social and political importance. The urbanization of the Empire was at once the chief factor in this process and its plainest manifestation." (pp. x-xi.)

Rostovtzev, *Social and Economic History.*

"In the economic life of the Empire the great capitalists of Republican times seem to have remained dominant; some of them were of senatorial rank, some of equestrian, but a large number were former slaves, freedmen. One of these capitalists and the largest of all, was the emperor." (p. 55.)

"The growing prosperity of Italy, the renascence of the Oriental provinces, and the urbanization of the Western and of some of the Eastern provinces created a strong and numerous city *bourgeoisie* all over the Roman Empire. It was the leading force in the Empire. The older men were members of the city councils and of the colleges

of magistrates and priests. The younger generation served in the army and in the praetorian guard, as officers, as non-commissioned officers, as soldiers. . . . On this *bourgeoisie*, along with the army, rested in the last resort the power of the emperors." (p. 99.)

Rostovtzev, *Social and Economic History.*

Society evolved first an agricultural community conquering land and slaves.

Then a commercial city emerged, carrying on trade.

The two fought for supremacy. For a long time the result was in doubt. Finally commerce won.

Morris, *Civilization*, p. 149.

§24. NEW FORMS OF EXPLOITATION; LABOR REVOLT

Athens had long mined silver and lead, with indifferent results. In 483 the Athenians discovered a new and very profitable vein of ore.

"There was a rush to the mines; everyone who had money in hand and slaves fit for use hired a concession from the State; and by the end of the year . . . the city found herself in possession of a windfall of at least fifty talents from mining royalties, apart from the profits that were being made by the exploiters themselves." (p. 392.)

This "enormous sum" raised the Athenian navy to 200 ships which three years later won at Salamis.

By 431, of the 100,000 slaves in Athens, at least 20,000 were working the mines. (p. 393.)

Zimmern, *Greek Commonwealth.*

"Enormous bodies of men were sometimes used on the working; the mines of Carthago Nova are said to have given regular employ to forty thousand; mostly these were slaves." Later laws required health provisions, humane treatment, barber shops, cobbler-shops, baths, and laundries, charges for which were strictly regulated (p. 158).

"Splendid engineering and scientific management" made the mines very profitable. "The shafts ran far into the hills and the drainage arrangements were good." (pp. 158-9.) Foreign labour was occasion-

ally imported and used. The ore was sometimes refined on the spot; sometimes taken direct to Rome.

Charlesworth, *Trade-Routes.*

"Les esclaves habiles à exercer un métier étaient exploités de deux manières; ou les maîtres les louaient a tant la journée, ou bien ils les faisaient travailler à leur bénéfice dans un atelier industriel, fondé à cet effet. Par la simple location de ses esclaves, un maître en retirait un bénéfice annuel de 30 à 40%, a une époque où le taux de l'intérêt n'était plus guère que de 12 à 16%. En cinq ou six ans un esclave ainsi exploité était plus qu'amorti; il avait ordinairement rapporté à son maître un somme double de son prix d'achat."

Letourneau, *L'evolution du Commerce*, pp. 458-9.

"Sicily, however, did not disarm. After Eunus had been crushed, the captives of the *latifundia* pursued their clandestine organization which was facilitated by the growth of their numbers. In the year 103, at the very moment when the Cimbri and the Teutones were throwing themselves against the frontiers of Narbonensis, 40,000 slaves placed themselves under the command of Salvius in the east of the island and 14,000 others came, with another chief, from the districts of the west. Lucullus found it no easy task to overpower them." (p. 145.)

"There was a mutiny in 198 in Latium, one in Etruria in 196 and a further one in Apulia in 185, but the rising of 140 which broke out in Sicily and spread throughout the greater part of that island was of unprecedented extent.

"Its leader was a Syrian of Apamea, one Eunus, who attracted the simple-minded by tricks or wonder-working and held out to others the hope of bettering their lot. He succeeded in a few days in assembling 6,000 armed men whose numbers swelled to 20,000 a few weeks later. Generals were sent against him successively, but, entrenched in the hilly region of Enna which served as the base of operations, he decimated the opposing troops. He is said to have commanded 70,000 *servi* at the end, or even, according to some historians, 200,000. It is in any case certain that he became the effective master of the great island which supplied Rome with its agricultural products and that he inflicted cruel damage upon the publicans. Moreover, he found reliable lieutenants among his bands and for nine years he kept the

Senate in check. Slaves having also risen during this grave period in certain centres of the peninsula, terrible punishments were inflicted, 150 being beheaded at Rome, 450 at Minturnae and 4,000 at Sinuessa." (pp. 144-5.)

Louis, *Ancient Rome.*

§27. OUTSIDE INTERESTS OF THE BUSINESS CLASS

"The evidence that Egypt achieved affluence through her mines, especially her Arabian copper mines, is pretty convincing. The Egyptians were good metallurgists and certainly worked gold, iron, copper and bronze before the fourth dynasty. The gold and iron came originally from Nubia. According to Diodorus the Nubian gold mines, under Rameses II, or in the fourteenth century B.C., yielded annually bullion to the value of $650,000,000. Possibly, also, the Nubians discovered the smelting of iron, and the Egyptians may in early times have drawn their supply of steel, especially as a finished product, from the south. Afterward they mined iron in the valley of Maghara, near their copper. Yet conceding that iron was used in Egypt under Cheops it cost high, and held a secondary place in the arts. Copper served as the useful metal." (p. 5.)

Europe, before 4000 B.C. was "barbarous and poor. The purchasing power, even of Egypt [was] limited. . . . The conquest of Maghara worked a social revolution in the west by enlarging its purchasing power, and creating capitalistic accumulations in Chaldea which stimulated expansion. This appears from the annexation of Cyprus by Sargon and the transference of mining activity from the Red Sea to the Mediterranean. The Phoenicians led in enterprise, and the discovery and development of Cyprian copper was the first of their many industrial triumphs. Another thousand years elapsed before Babylon achieved supremacy, for Babylon's rise was the effect of the extension of exchanges westward until they, probably, reached the Atlantic." (p. 13.)

Adams, *The New Empire.*

"Thus regulated, Babylonia prospered as never before. Her merchants penetrated far and wide into the surrounding countries. The

Babylonian writing of the clay-tablet bills which accompanied the heavily loaded caravans had to be read by many a merchant in the towns of Syria and behind the northern mountains. Thus the wedge-writing of Babylonia gradually spread through Western Asia. There was as yet no coined money, but lumps of silver of a given weight circulated so commonly that values were given in weight of silver. Loans were common and the rate of interest was twenty per cent. Business was the chief occupation and was carried on even in the temples." (Vol. I, pp. 48-9.)

"The remarkable spread of the Greek colonies, together with the growth of industries in the home cities, led to profound changes. The new colonies not only had needs of their own but they also had dealings with the inland, which finally opened up extensive regions of Europe as a market for Greek wares. The home cities at once began to meet this demand for goods of all sorts. The Ionian cities at first led the way as formerly. Then the islands also, and finally the Greek mainland, especially Corinth and Athens, began to share in the growing Greek trade. Ere long the commercial fleets of Hellas were threading their way along all the coasts of the northern, western and southeastern Mediterranean, bearing to distant communities Greek metal work, woven goods and pottery.

"They brought back either raw materials and foodstuffs, such as grain, fish, and amber, or finished products like the magnificent utensils in bronze from the cities of the Etruscans in northern Italy. At the yearly feast and market on the island of Delos the Greek householder found the Etruscan bronzes of the West side by side with the gay carpets of the Orient.

"To meet the increasing demands of trade the Greek craftsman was obliged to enlarge his small shop, once perhaps only large enough to supply the wants of a single estate. Unable to find the necessary workmen, the proprietor who had the means bought slaves and trained them to the work. He thus enlarged his little stall into a factory with a score of hands. Henceforth industrial slave labour became an important part of Greek life." (Vol. I, p. 198.)

Robinson & Breasted, *History of Europe.*

"The problem of food-supply became progressively acute and the control of the sea was soon seen to be an economic necessity. More than one-half of the grain sold on the Athenian market came ultimately

from abroad, as did an even larger proportion of the raw materials of Athenian industry."

Ferguson, *Greek Imperialism*, p. 62.

We have examined trade and communication in and about the Roman Empire, writes the author, who also says:

"There can be no doubt that great opportunities lay open to business men during this period and that much activity prevailed. Philo declares 'that at the present day in our search for wealth we ransack every corner of the earth, and dig our mines in plain and mountain-side to discover gold and silver, copper and iron, or precious stones,' while Seneca bewails the fact that 'desire of trafficking drags a man headlong over land and sea in the hope of making gain.' It was a time of large development in commerce, like the early nineteenth century."

Charlesworth, *Trade-Routes*, p. 224.

One of the chief objectives of Roman imperial policy was the maintenance of an adequate supply of minerals. The problem was rendered more difficult, in the case of Rome, because the mineral deposits upon which she depended were so widely scattered. See, Louis, *Ancient Rome at Work*, Chap. XII, *Minerals*; Adams, *The New Empire*, pp. 40, ff.; Charlesworth, *Trade-Routes and Commerce of the Roman Empire*, pp. 158 ff. and 196 ff.

"The Republic reserved to itself the revenue of the more important mines which it leased, according to the custom of the time, to great companies. Such was the case with the gold deposits of Vercellae, and the silver deposits of Cartagena, which gave employment to more than 40,000 workmen. When the workings of precious metals in Macedonia, leased in 168 by Aemilius Paulus, were reopened in 158 they were transferred against a large payment to the concession-holders, who also leased the mercury mines of Sisapon in Spain, celebrated throughout antiquity for their high and regular yield."

Louis, *Ancient Rome*, p. 179.

"In the form of booty, war indemnities, and the products of legal or illegal exploitation of the conquered countries, trade and banking, wealth poured to Rome abundantly. Part of this wealth was scattered among private individuals, part came to the treasury, but did not stay there, as we shall shortly see. In less than two generations Italy

became the richest country in the Mediterranean world. For the most part, this capital was not left in Italy. The Italian and the Roman loaned it out abroad, and made it bear fruit by investing it in countries where capital was scarcer. Hence, as the practice spread, the exportation of Italian capital became a factor to be reckoned with by Roman statesmen, whether they liked it or not. Thirdly, parallel with the influx of wealth, the mercantile spirit and the taste for trade were growing up in the peninsula."

Homo, *Primitive Italy*, p. 263.

Copper was originally found in Cyprus, and took its name from the island. "There is abundant evidence for the antiquity of the workings there, and for the wide area over which the metal was exported. . . . But the great industry was the making of bronze, which was greatly helped by the quantity of timber on the island. . . . Cyprus was one of the few places in the Mediterranean where copper was obtained in any quantity; and as the Romans now controlled both Gallaecia and Cornwall—the main sources of the tin supply—they had a practical monopoly of the manufacture of bronze. Both this metal and also lead were exported in bulk to India—which possessed neither —and in this manner Rome was enabled to pay for the precious stones and costly spices which she drew from the East." (pp. 87-8.)

"In its total mineral wealth Spain was the richest province of the whole Empire both in the variety and the quantity of the metals it contained." These minerals lasted longer than those of France. By the second century, or slightly later, Britain was probably the leading source of mineral wealth.

"During the course of the first century all the mines were brought under imperial control, if they did not already belong to the royal family. . . . The working was done either by the imperial slaves direct, or they were let out to companies under a number of very stringent laws that regulated the amount of royalties and later, conditions of labor. Some laws were passed relating to particular mines. (pp. 157-8.)

After a careful description of the road system built in Gaul by Agrippa and Claudius: "Even into the Rhine valley some Roman merchants had penetrated before Caesar, and there was much shipping plying on the river, principally belonging to the Menapii, who had established trade connections here. There was traffic from this point, too, to Britain, though not directly from the mouth of the river;

vessels sailed down it, and then hugged the Gallic coast until they reached Itius, before putting across." (p. 188.)

Within twenty years of the annexation of Britain "a centre like London was crowded with merchants, and Camulodunum had a large population of traders and business men. . . . A great throng of merchants made the voyage to Britain, especially from the lands of the Rhine Valley, with the pottery and stone of the district." (p. 219.)

"This trading activity penetrated the whole island." (p. 220.)

"Thus over lands that had been pacified and secured by Roman arms and upon seas that had been freed from piracy by Roman ships, we see a stream of traffic flowing; merchants and traders of every nationality were passing and repassing. Within the Empire itself long voyages and journeys were made; without, men penetrated to far-distant lands, and the Roman name became known far and wide. The agents of the Roman business man had reached Ireland and touched the margin of the Baltic Sea, knew the Scythians of the Tauric Chersonese, and had met the Chinese traders beside the lonely Stone Tower in Tashkurgan, had bought and sold in the marts of India, and bartered goods with the Aethiopians. The purity and good standard of the Roman coinage, the prowess of the Roman armies, the fair-dealing of the Roman merchants everywhere commanded respect." (pp. 238-9.)

Charlesworth, *Trade-Routes.*

§28. CONQUEST; EXPLOITATION; COLONIZATION

From the accession of the Thinite dynasties to the IIIrd Dynasty (3315 to 2850 B.C. approximately) Egypt lived at peace with most of her neighbors. The kings were consolidating the country and getting it cultivated. (p. 172.)

"On the eastern front, on the contrary, the first Thinite kings had overstepped their frontiers, not to repulse incursions by nomads, but, inspired by a definite plan of conquest, to lay hands on the copper mines of Sinai." (p. 174.)

"The oldest known autocracy seized the mineral regions of Sinai

which it needed, and 5,300 years ago began the long career of aggression and of so-called economic wars which are the counterparts of civilization." (p. 176.)

Moret, *From Tribe to Empire.*

"The territories under Roman dominion in the year 30 covered at least 1,900,000 square kilometres (742,00 square miles) in Europe, 600,000 square kilometres in Asia, and 440,000 in Africa in all nearly three million square kilometers or more than a hundred times the area governed by the Senate on the eve of the first Punic war."

Louis, *Ancient Rome*, p. 100.

"Having at last established the sovereignty of Egypt in Asia on a permanent basis, Thutmose could now turn his attention to Nubia. It is evident that Menkheperreseneb, the head of his gold and silver treasury, was now receiving thence six to eight hundred pounds of gold every year. The king also organized the neighboring gold country on the Coptos road and put it under a 'governor of the gold country of Coptos.'"

Breasted, *Reign of Thutmose III*, Vol. II, p. 85.

"Egypt and Mesopotamia are two cases very similar in nature.

"Chaldaea and Egypt are rich in cereals, but possess no minerals. To the one the copper mines of Sinai and the gold mines of Nubia, to the other the deposits of Elam, Anatolia and the Taurus, seemed indispensable to the economic life of the community. Hence the expeditions of conquest which attracted the Pharaohs to Sinai from the Ist Dynasty and the Babylonians to Anatolia from the third millennium." (p. 357.)

"North of Sinai the Pharoahs held under their sway the routes of access to Asia across the Isthmus of Suez and Sinai. In this region they encountered sedentary *Amu*, the nomad *Heriu-sha* (those who are on the sands), and Trogolodytes (*Iuntiu*), and other Semitic tribes, the *Mentiu* and the *Sentiu*.

"These miserable people ambuscaded the caravans which brought from Asia pinewood in huge joists to floor and roof the royal tombs at Abydos, the minerals lacking in Egypt, and certain agricultural products, and which returned from the Nile laden with the manufactured articles of wood, stone, bone, and ivory, in which the unrivalled skill of the Egyptian craftsmen was embodied. To ensure the security of these trade routes the Thinite Pharaohs on more than one occasion

had to send brief expeditions against the tribes to keep them in order for a time." (p. 176.)

Egypt created the protectorate, setting local groups against one another. She used diplomacy in her relations with smaller Asiatic countries, and her treaties offensive, defensive, and commercial—"yield us the secret of the concert of nations in the fifteenth and fourteenth centuries before our era." (p. 359.)

Moret, *From Tribe to Empire.*

"Communications were ensured by a well organized roads department." (p. 185.)

"From town to town ran the indispensable roads. It is to be noted that those of Crete . . . are 3.60 metres wide. At Knossos, near the North Entry of the palace, is the parting of two roads, one to the arsenal and one to the port. They have foundations of unhewn stone, between 20 and 25 centimetres in thickness, and are covered with a thick layer of concrete. The concrete is left bare for a width of 1.10 metres on each side, forming the two footpaths. It is reinforced in the middle by a double row of flags." (p. 186.)

Glotz, *Aegean Civilization.*

"Darius built a Royal Road from Sardes to Susa, of a length of about 1,500 miles, which a pedestrian would take three months to cover. Leaving Sardes, it crossed Phrygia, reached the Halys near Pteria, the old capital of the Hittites, and then ran southwards over the mountains to the Euphrates at Samosata. It crossed the Tigris at Nineveh, near Mosul; then, after following the river for some way, like the present Mosul-Bagdad road, it went over Susiana to the capital.

"At intervals there were post-stations, held by troops, and very good hostelries, and the mountain passes and fords were guarded by forts. At the stations horses were kept in readiness, and the couriers passed their orders on from one to another; this system of mounted posts was called *angareion* in the Persian language.

"The building of this road, especially in the difficult passes of the mountains of Asia Minor, naturally was of great convenience for the transport of troops to the west."

Huart, *Ancient Persia,* pp. 54-5.

"But wherever they found their ore, the Phoenicians certainly waxed rich by their dealings in metals, and, as capital increased, ships multi-

plied, energy augmented, and exploration went on faster. The next step was the development of the countries bordering the Euxine and probably expansion in this direction received its first stimulus from the discovery of gold in Lydia."

Adams, *The New Empire*, p. 15.

"The conquest of the East widened the field of expansion hitherto open to Greek trade. It had never strayed away from the Mediterranean. Now it annexed vast continental tracts, it penetrated to the Ister, the Indus and the Cataracts of the Nile; it assumed a universal character. Over the political frontiers unity of civilization and of economic life was created and firmly established. . . .

"All conditions combined to give this market intensity as well as breadth. The circulation of money increased the power to purchase in every land. The specialization of agricultural production gave rise to countless exchanges between corn countries and oil or wine countries. Industry clamored for raw materials and drove men to create new outlets. The progress of comfort and luxury developed the use of perfumes, spices, rare fabrics, and precious woods, which must be obtained from the most distant regions. The Governments systematically pursued a commercial policy. Not only did they build cities, dig harbors and canals, maintain roads and send explorers in every direction; they placed their diplomats and armies at the service of commercial interests."

Glotz, *Ancient Greece*, p. 362.

Work on the land was traditional in Greece. So was hunting, robbery, piracy. (p. 230.)

" 'The early Hellenes of the coastlands and islands,' says Thucydides, 'and some barbarians, too, as communication by sea became more common, turned into regular robber bands, with their leading men at their head, partly from love of gain and partly to support their helpless dependents." (p. 231.)

"The mighty hunters of old days, once the pride of their small communities, were cut off from the society of the growing city, and became recognized outcasts." (p. 232.)

"Such is the game as it was played when States still went to war for extra supplies or extra money, before they were tempted to make robbery their main source of revenue or to turn their farmers and craftsmen into professional fighters. . . . There is no attempt to annex or to annihilate. The enemy is at once a sovereign power and

a near neighbour. He will not submit to annexation, and if you root him out there will be nothing to rob." (p. 342.)

Zimmern, *Greek Commonwealth.*

"Every army which set forth on a campaign—whether against Mithridates or against Gaul—was accompanied by prospectors who, at the risk of their lives, sought for traces of gold and silver and who succeeded, thanks to prolonged effort, in becoming highly skilled, their marvellous intuition compensating for the deficiency of scientific knowledge."

Louis, *Ancient Rome,* p. 179.

"Pliny has laid it down as a principle that Roman generals on their campaigns gave especial thought to trade, and though this sentiment may not be true of the early republic we cannot doubt its applicability to the Empire." (p. 232.)

Trade came from the Danube—iron, amber, hides, etc.—over well established routes. Peoples of Dacia threatened these routes. Trajan decided to conquer them. "Apart from military needs Trajan was powerfully influenced by the thought of the gold mines lying in the region to be annexed, which were profitably worked for many years. Gradually the road-system extended, until it included desolate Tomi, upon the Euxine coast, and it could be said that Trajan had linked up the Atlantic with the Black Sea." (p. 177.)

Carthage had exploited the mines of eastern Spain, but it had never penetrated the west. The Romans under Augustus pacified the whole country.

"In the northwest region were gold and lead-mines of vast value to the revenue, and it is not surprising that Augustus fought so obstinately to bring this part under control, nor that subsequent emperors provided it so abundantly with roads." (p. 150.)

Charlesworth, *Trade-Routes.*

"We have already seen how swiftly merchants and traders had spread over the provinces. But it was not only the mercantile classes that profited by the peace and security given by the Empire; the very agents of it, the soldiers themselves, found time to indulge in advantageous selling of wares to ignorant natives; great markets were often held outside the frontier camps, and gradually there grew up settlements there, called "canabae," where all could buy and sell; these settlements were the germ out of which developed important

towns. When a legionary left the service, a well-meaning government presented him with a tract of land in some country, and expected him to till it; but the veteran soon found it much more profitable to forsake the monotony of farming and return to . . . the travel and excitement of a merchant's life."

Charlesworth, *Trade-Routes,* p. 234.

Greece colonized the whole Mediterranean basin. See map p. 179 and Chap. III, Part III, pp. 202 ff.

Chapter I, Part III, deals with colonization.

Jardé, *Formation of the Greek People.*

Miletos had 90 colonies along the shores of the Black Sea. Mostly in the Crimea. From them came fish, corn, skins, furs, slaves, gold, amber.

Glotz, *Ancient Greece,* p. 121.

"A Greek colonizing expedition was not a private venture of individuals or groups of individuals, but embodied a carefully organized scheme of State-promoted emigration. A Greek colony was not founded by a few pioneers . . . but planted once and for all, in its proper form and numbers, by a swarm going out, like bees." (p. 247.)

Surplus population was colonized, Plato wrote: "When men who have nothing, and are in want of food, show a disposition to follow their leaders in an attack on the property of the rich, these, who are the natural plague of the State, are sent away by the statesman in as friendly a manner as possible, and this dismissal of them is euphemistically termed a colony." (*Laws,* 735-6.)

"In the course of these two centuries (8th and 7th) the Mediterranean, from Spain to the Crimea, was girded with a ring of cities sent out from Greece and Asia Minor." (p. 246.)

Zimmern, *Greek Commonwealth.*

Colonization of Romans on the land conquered by Rome is dealt with in Chapter III, *Les Placements Fonciers, in Salvioli, Le Capitalisme.*

Rome followed a conservative colonial policy:

"For Rome made as few innovations as possible; she lacked the leveling temperament; she proceeded with great caution and flexibility; taking account of established facts and customs. Homo and Chapot

agree in recognizing the fact that she left each people the maximum freedom and particularism compatible with the security and economic interests of the Empire."

Chapot, *The Roman World*, p. vii.

"Wise measures were adopted to pacify a spirited people and console them for their loss of liberty; Roman citizenship was held out to them as a prize to be attained by faithful service, and the nobles were taught to compete for such an honor. The tribes were persuaded to leave their rugged hill-fortresses and come down to occupy the new towns founded in the valleys lying along lines of trade; every encouragement was afforded to agriculture and industry. In spite of one or two occasional outbreaks peace was imposed on Gaul, and an era of surprising prosperity ensued."

Charlesworth, *Trade-Routes*, p. 181.

"The mutual jealousy of the Gallic tribes showed itself afresh, and Rome made it her business to promote in each of them the predominance of a plutocratic caste amenable to her instructions. By means of a gradual scale of favors and the policy of bestowing the title of "friend and ally," which seemed to show that autonomy was respected, the Senate prepared the way for future enroachments and created the impression that all were being treated with moderation."

Chapot, *The Roman World*, p. 12.

"A few figures may be quoted to shew the extent of depopulation suffered by the countries which were conquered or reconquered. Ten thousand allies of Hannibal were captured in 210, 30,000 others in 209, 4,000 in 208, 5,400 in 207 after the battle of Metaurus, 1,200 in 202, whilst 35,000 Carthaginians were enslaved after the treaty of 201. Flamininus sent back 5,000 captured Macedonians in 197 after Cynoscephalae, 80,000 Sardinians were deprived of their liberty in 177, and 150,000 Macedonians and Epirotes in 167. Scipio Aemilianus carried off 55,000 men and women after the great assault of Carthage in 147. It is no exaggeration to say that Aemilius Paulus sold Epirus by auction and Nicodemus of Bithynia spoke the truth when he replied to a request made by Marius for auxiliaries that all the Bithynians were in irons. No country, however, suffered such a fate as Caesar reserved for Gaul: 40,000 warriors were enslaved at Alesia, 55,000 at Namur, whole cargoes of Veneti were consigned to Narbonensis and to Rome and in all a million Gauls were handed over to the traders

who followed in the wake of the victors and undertook to sell the captives at a large profit."

Louis, *Ancient Rome,* p. 132.

"Augustus was not blind to the lesson of events. As soon as he had leisure from other cares he created permanent fleets, no less to consolidate his own power than to guarantee the convoys of wheat essential to Italy's food supply. Favoured by the prolonged civil strife, the pirates had renewed their activities in some parts; but many of these brigands, Dalmatians or Sicilians, suffered themselves to be enrolled in the imperial service, and the security of the sea was re-established. For two centuries it was hardly disturbed, except in certain parts of the Euxine, where Rome had few interests."

Chapot, *The Roman World,* p. 3.

"Les premiers noyaux de richesse accumulée dans l'antiquité proviennent du butin de guerre. Si ce n'est pas lá la loi de la civilisation, ça en est une des principales. Nous en avons une preuve avec l'Angleterre, dont la puissance économique commença après qu'elle se fut emparée des Indes, un des pays, les plus riches du monde. Ce furent les conquêtes qui mirent dans les mains d'une petite plutocratie financière, à Rome, une grande richesse monétaire, peut-être la plus grande qu'ait possédée l'antiquité."

Salvioli, *Le Capitalisme,* pp. 218-9.

§29. COLONIAL REVOLT

"When the news of Thutmose III's death reached Asia the opportunity was as usual improved by the dynasts, who made every preparation to throw off the irksome obligation of the annual tribute. All Naharin, including the Mitanni princes, and probably also the northern coast cities, were combined or at least simultaneous in the uprising." Breasted, *Zenith of Egyptian Power (Cambridge Ancient History*, Vol. II, p. 89.)

The Romans took good care of the Egyptian canals and irrigation

works because they needed the wheat of which they obtained three crops a year. "The fertility of the land was extraordinary." (p. 25.)

"The emperors owned monopolies on the production and sale of innumerable articles and commodities, such as linen, oil, paper, bricks, alum, beer, and so on. Organized commercialism prevailed, and it must be confessed that little or nothing was done to ameliorate the life of the natives." (p. 18.)

The Roman "merchants had discovered that the Gauls were wine-loving people, and so . . . they brought with them the cheap and fiery wines of the South and gaudy pieces of pottery or painted glass to give in exchange for the amber, the hides, or slaves which the chieftains would offer; a cask of wine would often purchase a slave. Thus Southern Gaul became crowded with merchants and usurers; Cicero could boast that not a single monetary transaction was carried out there without an entry in some Roman account book; such men as Fonteius or Umbrenus gained great wealth and power in the province. The darker side of this is seen in the revolt of the Allobroges, rendered desperate by debt and exactions." (p. 181.)

Charlesworth, *Trade-Routes.*

"The Dacians and Mauretanians were restless; the Brigantes in Britain provoked Antoninus to cut them off from Caledonia by means of a second wall built further north. These were still no more than shadows of coming events, but Marcus Aurelius had to wage war unsparingly through the whole of his reign (161-180) merely to preserve the Roman heritage."

Chapot, *The Roman World,* p. 64.

§30. THE IMPERIAL UNIT

Ancient and classical empires covered large geographic areas. See Schrader, *Atlas Classique,* maps, with foot-notes for the Egyptian, Chaldean, Assyrian, Persian, Hebrew, Greek, Phoenician, Macedonian and Roman Empires, Maps No. 1 to 4; Breasted, *Ancient Times,* maps following p. 188.

Population of Ancient Greece.

Athens (age of Pericles)	150,000 people
Attica (Inc. Athens)	300,000 people
Whole Empire—5 provinces	2,000,000 people

"It formed a complex of islands, peninsulas, and estuaries, the most remote extremities of which were distant two hundred or two hundred and fifty miles from Athens." By sea, the greatest length of the empire was "a continuous voyage of about eight days."

Ferguson, *Greek Imperialism*, p. 42.

"Republican Rome bequeathed to the world two political formulae it had not previously known—Italian unity and Mediterranean empire. By the year 146 B.C. these two formulae already corresponded to facts, but the realization of both was still incomplete."

Homo, *Primitive Italy*, p. 349.

"The exploitation of the world which conquest had thus brought in its train therefore assumed the guise of a huge and profitable business from which all classes of the population might draw dividends. To the aristocracy imperialism represented primarily honours, triumphs, provincial governorships, the exploitation of the conquered territory, and speculations in public lands, or, in other terms, power, glory, and riches. To the equestrian class it meant the farming of taxes, public contracts (for military supplies and public works), and banking operations. The profits from such investments were not restricted to the class of capitalists proper, and especially lavish censorships like that of 174 represented a veritable rain of gold for the whole population of Italy. In an extraordinarily important passage Polybius discloses this as affecting the middle of the second century B.C.:

" 'In Italy there are many works, contracts for which are let by the censors, such as the construction and upkeep of public buildings too numerous to count, and the working of water-courses, ports, mines, gardens, and lands, and, in a word, everything under the control of Rome. The Roman people is in charge of all these enterprises, and almost everyone participates in them through the contracts to which they give rise and the benefits they produce. Some contract for them with the censors, others go into partnership with the former, others go surety for these, and others again pledge their property with the treasury as guarantors.'

"Let us not forget the peasant who supplied victuals or raw materials,

and the rest of the people to whom the policy of expansions meant the remission or reduction of the *tributum*, some share in the booty, regular employment, and all sorts of material advantages. It is, then, fair to say that all classes in the community shared not only in the glory but also in the business of the fatherland."

Homo, *Primitive Italy*, pp. 263-4.

Alexandrian-Indian trade was carried on via the Red Sea and along the shore under Arab control. But in the first century A.D., Hippalus, a sea-captain, took advantage of the monsoons and sailed directly across the Indian Ocean. "This meant a great deal to the Roman traders. Firstly, as regards speed; a man could now leave Egypt in July and reach the Indian ports by the end of September; after getting rid of his cargo and re-stocking his vessel with the Oriental luxuries so much in demand at Rome, he would set sail about the end of November and, wafted by the North-East monsoon, put in at Aden and so up the Red Sea to Alexandria where he would arrive about February; the return voyage became easily possible within the year."

Charlesworth, *Trade-Routes*, p. 60.

§32. ECONOMIC CONFLICT

"Twelve hundred years before Christ, Asiatics and Europeans began their struggle for the control of the avenues of the eastern trade which radiated from Bactra. The Assyrians met defeat in Armenia and perished. The Greeks forced the Dardanelles and opened the Euxine. The gold of Lydia drew commerce overland toward the Maeander, at whose mouth, near where the caravans halted, the Greeks made their first lodgment on the continent. From Miletus, spreading north and eastward, always reaching out toward the sources of supply, the Greeks girdled the basin of the Black Sea until they held every outlet in their hands, the whole system of traffic converging on the isthmus of Corinth.

"Toward the end of the seventh century before Christ the work appears to have been completed, and when the complex yet elastic mechanism operated, its shock proved resistless."

Adams, *The New Empire*, p. 30.

"The power of the Phoenicians declined, a few centuries after 1000 B.C., partly by reason of internal dissensions and the attacks of land-powers like Assyria, partly by reason of the commercial rivalry of the Greeks, who had risen to an independent position and cut the lines of communication between East and West. In this period Carthage fell heir to the Phoenician establishments in the western Mediterranean, and maintained its power and policy on substantially similar lines until it received its great defeats at the hands of Rome." (p. 14.)

"Little by little the Greeks rose to commercial prominence, and gained the place formerly held by the Phoenicians. A striking feature of this revolution was the Greek colonial movement, which covered some five hundred years, and ended about 600 B.C., Greek colonists settled about the Black Sea, in Asia Minor and as far as Spain in the Mediterranean. "The colonists kept up an active intercourse with the mother country, and Greek sailors and merchants ousted the Phoenicians from their commanding position. The Greeks at home began to produce wares for export, seeking customers not only among the colonists, but in other markets also; They . . . developed the clay, bronze, and woolen industries to a point not dreamed of before." (p. 18.)

Day, *History of Commerce.*

"If Athens was to trade westwards, she must either cripple these rivals and annex and patrol their territorial waters, or proceed by a policy of negotiation based upon considerations of mutual interest."

Zimmern, *Greek Commonwealth,* p. 67.

"The grievances of Corinth against Athens were of a commercial and economic order." (p. 309.)

The agreement of 446 provided for the partition of the Greek world. "Sparta was to have the Peloponnese, Corinth the Seas and trade of the west, and Athens the Aegean Sea and the trade of the north." (p. 310.)

Jardé, *Formation of the Greek People.*

§33. ECONOMIC CONFLICT AND WAR

Thutmose III carried on at least 20 years of warfare before he could control the kingdom of Kadesh which occupied "a very advantageous position on the Orontes. It thus commanded the road northward through inner Syria, the route of commerce from Egypt and the south, which, following the Orontes, diverged thence to the Euphrates, to cross to Assyria, or descend the Euphrates to Babylon . . . Kadesh commanded also the road from the interior seaward through the Eleutherus valley to the Phoenician harbours, especially Arvad and Simyra."

Breasted, *Foundation and Expansion of the Egyptian Empire (Cambridge Ancient History*, Vol. II, pp. 56-7).

"The city of Athens . . . rose to the first place among the Greek cities in the century . . . 500-400 B.C. The Athenians broke the power of Aegina in armed conflict, and appropriated its commerce; the Athenian sea-port, the Piraeus, became the leading commercial port of the Greek world, and remained so until the Macedonian period (about 300)."

Day, *History of Commerce*, p. 19.

"There was never a period in the whole life-time of the City State when war could be regarded as exceptional. Either actual campaigning or war yesterday and war to-morrow is the natural state of the Greek City."

Zimmern, *Greek Commonwealth*, p. 340.

"As the trade of Carthage increased she had gradually gained control over the north African coast from the frontiers of the Greek city of Cyrene westward to the Atlantic. She had become the commercial mistress of the western Mediterranean world. Her merchants seized southern Spain, with its profitable silver mines, and they gained control of the import of British tin by way of the Strait of Gibraltar. Outside of this strait their settlements extended both northward and southward far along the Atlantic coast. It was only the incoming of the Greeks which had prevented the Carthaginians from taking possession of all the western Mediterranean islands upon which their splendid harbor looked out, especially the island of Sicily. They closed the ports of the Islands and the Strait of Gibraltar to ships from all other cities.

Ships of other nations intruding in these waters were promptly rammed and sunk by Carthaginian warships."

Robinson & Breasted, *History of Europe,* Vol. I, pp. 207-8.

Just before the Christian era:

1. Athens was losing supremacy to Alexandria, Antioch and Pergamon. (p. 1.)
2. "The primary cause of the steady decline of economic life in Greece proper was the constant, almost uninterrupted, succession of wars in which the cities were involved in the fourth and third centuries B.C." (p. 1.)

The economic cost of war became prohibitive. (p. 4.)

Rostovtzev, *Social and Economic History.*

"As the city grows in population and in power, the ring of cultivation and pasture naturally extends, to supply the needs of the increasing number within the walls. And with this extension of territory there comes inevitably and automatically the threat of war. Erelong the circle, as it grows, touches the circle of cultivation which is spreading in a similar manner from the next city-state." Herdsmen and farmers fight and the war is on.

Baikie, *Life of the Ancient East,* pp. 200-1.

"Rome, once the centre of a little country no larger than six French départements, subjugated and assimilated the whole of Italy, established her dominion over the two other peninsulas forming the southern limits of Europe, and seized the African littoral and the coasts of Asia Minor and Syria, with the result that she was the uncontested mistress of the whole Mediterranean basin. This phase of conquest, which began in hard and often unequal struggles with the great commercial and maritime metropolis of the third century, Carthage, and ended with the seizure of the second city of the world in the first century, Alexandria, and of the most fertile and industrially developed country, Egypt, is one of the most stupendous periods of continuous warfare of which history makes mention."

Louis, *Ancient Rome,* p. 89.

§34. THE ELIMINATION OF RIVALS

1. Etruscans arrived in Central Italy in the IX century. By the VI century they were not only excellent husbandmen and skillful metal-workers; they were also merchants and navigators. Both Greek and Etruscan fleets met at various ports—particularly at Sicily. (p. 223.)
2. "The expansion of the Phoenicians in the western Mediterranean was almost contemporary with that of the Greeks." (p. 223.) After the foundation of Carthage an empire grew rapidly. Carthage and Utica united to subjugate the other Phoenician cities. Then Carthage subjugated Utica. As she extended her sway she "found herself in contact with the Greeks everywhere. After commercial rivalry, armed conflict was inevitable."(p. 224.)
3. Etruscans and Carthaginians allied themselves and made common cause against Greece. (p. 224.)
4. Greek cities fought one another. Common enemies destroyed their colonies. Syracuse saved Greece in the West and became a splendid, rich city. (p. 225.)
5. Persians came in. The battle of Lade (494) reduced the Greek cities to subjection. (p. 271.)
6. Pericles with his policy of Pan-hellenism defeated (431). (pp. 286-7.)
7. The maritime league became an Athenian Empire. (p. 297.)
8. In the summer of 411 civil war occurred in Athens. Defeated by Sparta. (pp. 302-3.)

Jardé, *Formation of the Greek People.*

In 434 B.C. Corinth and Corcyra, the two chief seapowers of western Greece (as Athens was the chief power on the Aegean) fought an indecisive war. Corcyra won a temporary victory. Both cities then appealed to Athens for support. Athens decided to form merely a defensive alliance with Corcyra but not to commit herself to any offensive against Corinth. The idea was "that the two would weaken one another by mutual conflict, and so leave the sea free for Athens as indisputably the greatest naval power."

Zimmern, *Greek Commonwealth,* p. 418.

"This war with Macedon brought the Romans into conflict with Antiochus the Great, the Seleucid king, who held a large part of the

vast empire of Persia in Asia. A war with this powerful Asiatic empire was not a matter which the Romans could view without great anxiety. . . . At Magnesia in Asia Minor the West led by Rome overthrew the East led by Antiochus (190 B.C.), and the lands of Asia Minor eastward to the Halys River submitted to Roman control. The treaty closed Asia Minor west of this river to Antiochus.

"Within twelve years (200 to 189 B.C.) Roman arms had reduced to the condition of vassal states two of the three great empires which succeeded Alexander in the East—Macedonia and Syria. As for Egypt, the third, a little over thirty years after a Roman army had first appeared in the Hellenistic world, Egypt also acknowledged herself a vassal of Rome." (168 B.C.)

Robinson & Breasted, *History of Europe,* Vol. I, pp. 218-9.

"On his return to Antioch after five years of marching and fighting in the Far East (210-205 B.C.), Antiochus wrested Palestine from the now feeble grasp of the Ptolemies. This exploit gave him the long-desired, long-lacked, and long-fought-for access to the sea; and for the first time in the history of the realm, an opportunity was secured for the construction of a great fleet. Simultaneously, Philip of Macedon fell before the Romans at Cynocephalae (197 B.C.); whereupon Antiochus went vigorously to work dislodging all 'foreigners' from the Mediterranean seaboard of Asia Minor. This led in 192 B.C. to conflict with Rome." (p. 188.)

The Seleucid Empire was broken under Antiochus the Great after the battle of Magnesia, 190 B.C.

Then, after 164 B.C. Rome thoroughly vanquished its rival:

1. By eliminating its military power.
2. By holding out "an encouraging hand to all rebels."
3. By helping to begin a dynastic war in Syria, 153 B.C.

From the other side came the barbarian from Asia.

"Then the blackened hulk (Syria), manned by a mutinous crew, lay helpless in a sea infested with pirates, when Pompey picked it up and towed it into a Roman harbor." (p. 191.)

Ferguson, *Greek Imperialism.*

"The Carthaginians were therefore at last obliged to accept hard terms of peace at the hands of the Romans. They were to give up Sicily and the neighboring islands to Rome and to pay the Romans as war damages the sum of thirty-two hundred talents, over three and a half million dollars, within ten years. Thus in 241 B.C., after

more than twenty-three years of fighting, the first period of the struggle between Rome and Carthage ended with the victory of Rome. For the first time Rome held territory outside the Italian peninsula, and from this step she was never able to withdraw." (p. 211.)

"The victory over Carthage made Rome the leading power in the whole ancient world. In the treaty which followed the Battle of Zama the Romans forced Carthage to pay ten thousand talents (over $11,000,000) in fifty years, and to surrender all her warships but ten triremes. But, what was worse, she lost her independence as a nation, and according to the treaty she could not make war anywhere without the consent of the Romans." (pp. 215-6.)

"For over fifty years more the merchants of Carthage were permitted to traffic in the western Mediterranean, and then the iron hand of Rome was laid upon the doomed city for the last time. To defend herself against the Numidians behind her, Carthage was finally obliged to begin war against them. This step, which the Romans had long been desiring, was a violation of the treaty with Rome. The Senate seized the opportunity at once and Carthage was called to account. In the three years' war (Third Punic War) which followed, the beautiful city was captured and completely destroyed (146 B.C.). Its territory was taken by Rome and called the Province of Africa. A struggle of nearly one hundred and twenty years had resulted in the annihilation of Rome's only remaining rival in the western Mediterranean world." (p. 216.)

Robinson & Breasted, *History of Europe*, Vol. I.

"The destruction of Carthage completely and finally eliminated the Punic city as a commercial and economic power. There is no doubt that it was the Italian capitalists and landowners, led by Cato, who insisted on the destruction of the city. They were now large producers of wine and olive oil, and they had every reason for endeavouring to get rid of a dangerous rival and to transform her territory from a land of gardens, vineyards, and olive-groves into one of vast cornfields."

Rostovtzev, *Social and Economic History*, p. 21.

§36. EXPLOITING THE WORLD

"The Pharaohs were now great generals with a well-organized standing army. With these forces the Pharaohs conquered an empire which extended from the Euphrates in Asia to the Fourth Cataract of the Nile in Africa. By an empire in ancient times we mean a group of nations subdued and ruled over by some more powerful nation. When government first arose, it began with tiny city-states independent of each other. Then a group of such city-states would gradually unite into a nation; but the organization of men had now reached the point where many nations were combined into an empire, including a large part of the early oriental world. The Egyptian Empire, during which the Pharaohs were really emperors, lasted from the early sixteenth century to the twelfth century B.C.—somewhat over four hundred years."

Robinson & Breasted, *History of Europe,* Vol. I, p. 32.

"Moreover, this Roman Empire, like the Empire of the Achaemenidae and the Russian State to-day, was geographically coherent, but it included no waste territory. All its possessions had some economic value and, apart from Britain, which was only apparently isolated, being attached to Gaul by kinship of population, all were borderers on or not far distant from the Mediterranean Sea. This was the centre about which the Empire was formed; all its shores had to be occupied, and as a matter of fact, from the time of Augustus, Rome commanded the whole circumference."

Chapot, *The Roman World,* pp. 1-2.

§38. A WORLD SAFE FOR BUSINESS

"Egypt had now become the controlling power in the far-reaching group of civilizations clustering in and about the eastern end of the Mediterranean, the centre, perhaps the nucleus, of the civilized world of that day. As she had been for over two thousand years the dominant civilizing force in the great complex of eastern Mediterranean

states, so she was now likewise its political arbiter and economic centre. Seated astride both the inter-continental and inter-oceanic highway, Egypt was building up and dominating the world of contiguous Africa and Eurasia. Traditional limits disappeared, the currents of life eddied no longer within the landmarks of tiny kingdoms, but pulsed from end to end of a great empire, embracing many kingdoms and tongues, from the upper Nile to the upper Euphrates. The wealth of Asiatic trade circulating through the eastern end of the Mediterranean, which once flowed down the Euphrates to Babylon, was thus diverted to the Nile Delta, long before united by canal with the Red Sea. All the world traded in the Delta Markets."

Breasted, *Zenith of Egyptian Power* (*Cambridge Ancient History*, Vol. II, p. 88).

The social, political and religious crisis which had reduced the Egypt of the Heracleopolitan dynasties to an alarming degree of anarchy, weakness, and poverty (from 2360 to 2160 B.C.), was one of those maladies of adolescence from which a youthful body rises with augmented vigour. About 2160 B.C. authority was once more established in the central region of the South Kingdom in the hands of the princes of Thebes, Antef and Mentuhetop, who founded the XIth Dynasty (2160-2000 B.C.). Their successors, Ameemhat and Senusert of the XIIth Dynasty (2000-1788 B.C.) inherited an Egypt that had regained unity, peace, and prosperity. This is the period of the Middle Kingdom, or Theban Empire (XIth to XIIth Dynasties, roughly 2160 to 1660 B.C.), one of the most splendid epochs in Egyptian history.

The kings of the XIIth Dynasty had at their own disposal the forces of a great centralized State—well-filled coffers, an army reorganized into national regiments and Libyan and Nubian mercenaries. Agriculture is more active than ever, since the peasants are no longer serfs and have received the status of tenants. The crafts are free, since the royal administration, the temples, and the nobles no longer appropriate the industries to their own use. Hence the labour of peasants and workmen yields a magnificent return, to which the monuments, the works of art, the jewelry of this epoch bear witness. For the Pharaohs the consequence was the resumption on a broader basis of the policy of external expansion, at once to provide the people with raw materials and to create an outlet to foreign markets for the products of the fields and factories. The land, rich and strong, proceeds to expand in Africa and become a "Greater Egypt."

"The twenty years' campaigning of Thuthmes III gained for Egypt

not only security, but also the hegemony in the Oriental world for a century, from 1460 to 1369 B.C. The horn of the Fertile Crescent which comprises Palestine, Coele Syria and part of Naharina, constituted a province so closely bound to the metropolis that we may use the term *Egyptian Empire* to describe the political union of the region in obedience to a single master from the Upper Nile to the great bend of the Euphrates." (pp. 279-80.)

By about 2900 B.C. the fertile crescent was consolidated, giving access to the Mediterranean.

"This way once opened, a dynasty of Semites, sprung from the city of Agade, succeeded in enlarging it. About 2850 B.C. Sargon of Agade established an empire which embraced all that was civilized in Asia Minor. Enlil gave him Sumer and Akkad, and then 'the high land of Mari (Middle Euphrates), Iarmuti (on the coast of Syria), the land of Ibla (Amanus) with its cedar forests and its silver mines (the Taurus mines).' This quotation enumerates all the aims which Sargon had in view; access to the Mediterranean indispensable as an outlet for the agricultural and industrial wealth of Shinar to new markets, the quest of great pines alone able to supply the building timber needed for palaces and ships, the search for precious metals, the control of mines that should furnish Chaldean industry with the indispensable raw materials and priceless revenues for the imperial coffers. Similar motives had inspired the first expeditions of the Pharaohs in Egypt—the copper mines of Sinai, the cedars of Lebanon, the mastery of the sea routes. In the foundation of the empires of the Orient, material and economic interests counted far more than the personal ambition of the sovereigns." (p. 206-7.)

Moret, *From Tribe to Empire.*

Under the successors of Thuthmose III Syrian princes went to Thebes for an education; took service in the Egyptian army; garrisons were maintained in the Syrian towns; supplies provided by the Syrians.

"Syria thus enjoyed a stability of government and widespread public security such as had never before been hers. The roads were safe from robbers, caravans were convoyed from vassal to vassal, and a word from the Pharaoh was sufficient to bring any of his subject-princes to his knees. Amenhotep himself was never obliged to carry on a war in Asia."

Breasted, *Zenith of Egyptian Power*, (*Cambridge Ancient History*, Vol, II, p. 96.)

Athens assured her food supply and her stores of raw materials. "She had transformed herself, by infinite pains, from a City to an Empire. (p. 360.)

"So her prospects seemed to Pericles and his fellows. . . . They looked forward to an era of material prosperity and spiritual advance, promoted and safeguarded by the armed peace of the Athenian Empire." (p. 366.) Zimmern, *Greek Commonwealth.*

"It was reserved for his great successor, Augustus, to carry out a complete scheme of pacification and organization, and to provide for the security of trade and the safety of merchants, by the construction of roads, the foundation of colonies, and the provision of police forces." (Africa.) Charlesworth, *Trade-Routes,* p. 133.

Augustus put the empire on a good basis. "The establishment of just, stable and efficient control by the government at once produced a profound change, visible in many ways, as we shall see, but especially in business. Men of capital no longer kept their money timidly out of sight, but put it at once into business ventures. The rate of interest under the last years of the Republic had been twelve per cent. But as money now became more plentiful, the interest rate quickly sank to four per cent." (p. 606.)

After the unification of Rome, there were two centuries of peace. Good, paved roads were extended everywhere in the Empire. Pirates were eliminated from the sea; 120 ships plyed the Indian Ocean and caravan routes from China were maintained.

"A vast net-work of commerce covered the ancient world, from the frontiers of China and the coasts of India on the East to Britain and the harbors of the Atlantic on the West." (p. 640.)

Breasted, *Ancient Times.*

"The peace of which the inscriptions boast was due to the stability at last introduced by putting an end to the extortion and civil war that had shaken the whole world; but this does not mean that the reign of Augustus was a period of absolute tranquillity: wars were being waged almost continuously in one part or another, and they were not all defensive wars. As a matter of fact, the great 'peace-maker' extended the boundaries of the *Orbis Romanus* much further than anyone else before or after him.

Chapot, *The Roman World,* pp. 41-2.

§39. THE CONCENTRATION OF WEALTH AND INCOME

Ahmose (1580-1557 B.C.) organized the country under departments. All Egypt was his estate. The territory was divided for administrative purposes. The great object of government was to make the country economically strong and productive. To secure this end, its lands, now chiefly owned by the crown, were worked by the king's serfs, controlled by his officials, or entrusted by him as permanent and indivisible fiefs to his favourite nobles, his partisans and relatives." Taxes were still collected in kind. But there was a regular assessment. Such taxes probably comprised one-fifth of the product of the land. The royal treasury issued a monthly fiscal report of all income and outgo. Levels of the Nile were also reported.

Breasted, *Foundation and Expansion of the Egyptian Empire, (Cambridge Ancient History*, Vol. II, pp. 42-44.)

"Under such circumstances Amenhotep was at leisure to devote himself to those enterprises of peace which have occupied all emperors under similar conditions. Trade now developed as never before. The Nile, from the Delta to the cataracts, was alive with the freight of all the world, which flowed into it from the Red Sea fleets and from long caravans passing back and forth through the Isthmus of Suez bearing the rich stuffs of Syria, the spices and aromatic woods of the East, the weapons and chased vessels of the Phoenicians . . . Parallel with the land traffic through the isthmus were the routes of commerce on the Mediterranean, thickly dotted with the richly laden galleys of Phoenicia, converging upon the Delta from all quarters."

Breasted, *A History of Egypt*, p. 337.

"In the midst of sumptuous splendour, such as no ruler of men had ever enjoyed before, this great emperor of the east devoted himself to his life of luxury and the beautification of his imperial city. Around his palace on the west side of the river he laid out an exclusive quarter which he gave to his queen, Tiy. He excavated a large lake in the enclosure, about a mile long and over a thousand feet wide, and at the celebration of his coronation anniversary in his twelfth year, he opened the sluices for filling it and sailed out upon it in the royal barge with his queen, in such a gorgeous festival 'fantasia' as we find in the *Arabian Nights* in the days of the notorious Harun-el-Rashid. Such festivals, now common in Thebes, enriched the life of the fast-growing

metropolis with a kaleidoscopic variety which may be compared only with similar periods in Rome under the emperors."

Breasted, *Zenith of Egyptian Power, (Cambridge Ancient History,* Vol. II, p. 105.)

"Money business and banking affairs become almost the exclusive privilege of Italy and above all of Rome, as most of the coined money was concentrated in the hands of Roman capitalists. Political conditions contributed very largely not only to make this business a monopoly of Rome, and especially of the bankers of the capital itself, but to give it the character of usury, which hampered very seriously the sound development of a normally growing capitalistic system. . . . Among the large industrial centres of the ancient world some Italian duties began to play a prominent part, such as Capua and Cales for metal wares and pottery, Tarentum for woolen stuffs and silver-plate, and Arretium for a special kind of red varnished pottery, although Italy never became a leader in industrial development. This rôle was reserved for the cities of the Grek East." (pp. 36-7.)

"Italy remained the richest land of the Empire, and had as yet no rival. She was the greatest centre of agriculture, of commerce, and of industry in the West. The time might seem to be approaching when her economic supremacy would be challenged, as she herself had challenged the supremacy of Greece, Alexandria, and Asia Minor. But we hardly perceive yet the very slightest signs of the beginning of this new period. The production of the most valuable articles of agriculture and industry was still, as in the Greek and Hellenistic periods, concentrated in a few places, particularly in Asia Minor, Alexandria, Syria, and Phoenicia, and in Italy; the rest of the Empire produced mostly raw materials." (p. 74.)

Rostovtzev, *Social and Economic History.*

"In the place of the numerous petty estates were a few very large ones." (Italy.)

"The small proprietor was thus being crowded to the wall in Gaul just as centuries earlier it had happened in Italy.

"Africa, in fact, under the early Empire seems to have been in the clutches of a small number of plutocrats. Pliny the Elder says that in his time six men owned half the real estate of the province."

Davis, *Wealth in Imperial Rome,* pp. 140-1.

"It seems clear, then, that the smaller landed proprietors were, from the various causes which we have described, becoming steadily poorer and less numerous. But while this change, fraught with momentous consequences to Roman society, was in progress, another, in the opposite direction is equally observable. The upper or senatorial class was growing not only in wealth, but in power."

Dill, *Roman Society*, p. 266.

The process by which land holdings in Italy were concentrated as result of first and second Punic Wars is given in Chapter VI, "Establishment of the Plantation," with details of methods of organizing and handling. Frank, *Economic History*, pp. 94ff.

§40. EXPLOITERS AND EXPLOITED

"Side by side with the soldier appeared another new and powerful influence, the ancient institution of the priesthood. As a natural consequence of the great wealth of the temples under the Empire, the priesthood became a profession, no longer merely an incidental office held by a layman."

The great wealth of temples and their vast extent augmented the political power of the priests.

Breasted, *The Foundation and Expansion of the Egyptian Empire, (Cambridge Ancient History,* Vol. II, p. 49.)

Thucydides describes classical Athens:

" 'We are the leaders of civilization, the pioneers of the human race. Our society and intercourse is the highest blessing man can confer. . . . Through effort and suffering and on many a stricken field we have found out the secret of human power, which is the secret of happiness. Men have guessed at it under many names; but we alone have learnt to know it and to make it at home in our city. And the name we know it by is Freedom, for it has taught us that to serve is to be free."

Zimmern, *Greek Commonwealth*, p. 191.

"In the first century B.C., Rome was monetary centre of the world, inasmuch as the capital, which was engaged in public administration or private business all over the known world, was owned in Rome. The associations of capitalists were carefully organized; some of them were partnerships of wealthy men, and some were joint stock companies which were managed on behalf of the shareholders by *participes*. A very large portion of the Roman population had shares in these undertakings; and the Forum, with its *basilicae* may be regarded as an immense stock-exchange where monetary speculation of every kind was continually going on." In the Roman Republic "the policy of the government was controlled by the stock-exchange, the provinces were ruled in the interest of the stock-exchange, and judicial appeals were decided by the stock-exchange."

Cunningham, *Western Civilization*, Vol. I, p. 164.

Inflow of Wealth with Conquest.

First Punic War—Carthage paid 3,200 talents (over $3,200,000).

Second Punic War—Carthage paid 200 talents per year (under $250,000) for 50 years.

Antiochus the Great paid 15,000 talents after his defeat at Magnesia (over $15,000,000).

The Asiatic cities supporting Mithridates after his defeat by Sulla in 84 B.C. had to pay 20,000 talents.

Davis, *Wealth in Imperial Rome*, pp. 39-40.

"We have certain data which permit us to judge of the extent of the war contributions which the victorious generals exacted from the enemies of Rome and of the sums which they put into circulation in the Peninsula. In the year 241 Carthage was condemned to pay £800,000 to the capital. This is very little in comparison with the indemnities stipulated by modern treaties of peace, but much when we remember that the number of citizens of Rome was only a few hundred thousand. In 197, Flamininus, after Cynoscephalae, caused to be carried in his triumphal procession 3,714 lbs. of gold, 4,327 lbs. of silver, and 14,514 golden 'Philips.' In 189, Scipio returned from Asia with 1,124 lbs. of gold, besides the crushing tribute which he had exacted from Antiochus. Aemilius Paulus, after Pydna in 168, carried off nearly £2,000,000 from Macedonia and Marius sent from Numidia, after the death of Jugurtha, 5,775 lbs. of silver, 3,000 lbs. of gold and 217,000 drachmas. Sulla despatched from the countries from which he had expelled Mithridates 15,000 lbs. of gold and 115,000 lbs. of

silver, without counting the £4,800,000 which he extorted from the subjects of Asia. Pompey collected in the Orient £2,240,000 for the treasury and £4,360,000 for his friends, his officers and his soldiers. He raised from 50 to 135 million drachmas the amount claimed from the Asiatics. The annexation of Cyprus produced £1,690,000. Caesar, according to the historians, only took £2,060,000 in Spain and as little as £400,000 in Gaul, but £12,000,000 in gold figured at the celebrations of his triumph after Pharsalus and Thapsus. He gave £189 to each of his soldiers—exactly four times as much as the legionaries had received from Pompey—and he took care not to forget the citizens, who each received 105 *denarii*. Octavius seized so much precious metal after the battle of Actium that the value of money dropped to one-half."

Louis, *Ancient Rome*, p. 123.

"Everywhere social life had flourished and was still flourishing in the fourth century, more especially in urban surroundings. Hundreds of towns were living an easy and pleasant existence, adorned with palaces, with public squares, circuses, theatres, temples, hot springs, money markets or basilicas, with their public baths and their aqueducts. From the third century they had been protected by fortified walls, crowned with towers. Amid the unexampled magnificence of the capitals, Byzantium, Rome, Milan, Thessalonica, Treier, and Arles, all the splendours of luxury and of civilization were displayed. The countryside was covered with townships (*vici*) of little free proprietors and with the elegant dwellings, half pleasure-houses and half strongholds, in which the great proprietors lived in the summer season, in the midst of their vast domains *(villae)*. In spite of the slow depopulation, which for the last century and a half had been draining away its life blood, the empire in Europe had a population of over thirty millions, and was the envy of the barbarians who surrounded it."

Boissonnade, *Life and Work*, pp. 2-3.

§42. URBANIZATION

"Until the end of the Antonines and even until after the time of Aurelian, the population of the towns increased incessantly. I do not speak only of Rome which even 300 years after the death of Augustus was far greater than any other capital of the known world and whose premier position the foundation of Constantinople was alone able to threaten. But in all the provinces, the cities, old or new, became centres of attraction and enclosed myriads of immigrants within their walls. Some authorities, like Lipsius, estimate the population of Rome at 4,000,000; others, like Vossius, as high as 14,000,000; Gibbon is content with 1,200,000 and Beloch with 800,000 for the districts comprised within the walls of Aurelian. Alexandria, before the sack of 297 which quenched the revolt of Achilleus had a girth of 13 miles and contained from 500,000 to 800,000 inhabitants. Jerusalem is said to have sheltered as many as 600,000 Jews. In Asia, Apamea, Caesarea, Cyzicus, Trapezus, Tyre and Sidon, with their houses of eight storeys, and in Gaul, Lyons, Arles, Narbonne and Trier were centres of considerable size which increased as the result of the rural influx. The phenomenon of urban concentration, which is to-day manifest in the two hemispheres, affirmed itself until the third century in the Roman world."

Louis, *Ancient Rome,* pp. 227-8.

Two methods were followed by ancient cities. Tyre represented one method. The Tyrians imported slave labor and materials which "were turned to account in manufactures, which could be sold to other countries and thus create a source of wealth; this gave the means of procuring more materials and more labour for the renewal and increase of industry, and thus afforded opportunities for farther progress in wealth. On the other hand the works of Pericles served no economic purpose but that of display; they could not be realised in money or exported to other lands, or utilized for the production of more wealth. . . . Pericles, in endeavouring to find profitable employment for the people, deliberately turned their energies to unproductive public works." The wealth of the city was "locked up in forms that are artistically superb, but economically worthless."

Cunningham, *Western Civilization,* Vol I, pp. 120-1.

"No less important was the work of the emperors in urbanizing the Empire, that is to say, the Roman provinces of East and West. . . . Among them, no doubt, would be found in every province scores which began their urban life after the end of the civil wars. . . . Most of them were creations of the age of Augustus; some were added under his successors, particularly under Claudius, who in this matter was no less consistently active than in the work of developing imperial bureaucracy."

Rostovtzev, *Social and Economic History*, pp. 81-2.

"The agrarian history of the Roman Republic is too well known to require anything more than a reminding sketch. On the one hand appeared the tendency toward the building of large estates, which was founded in the system of leasing the *ager publicus*. Against this tendency stood the insistent democratic legislation which worked toward the division of the farm lands of Italy among the veteran colonists of the Roman citizen body and the Italian alliance under Rome's hegemony. This struggle to maintain the old freedom of general disposal of the state lands carried with it an attempt to put a limit to the use of slaves on the Italian estates. The story of the failure of the democratic land policy in the second century B.C. need not be repeated. The reasons for the defeat of the citizen peasant and the small farmer are well known. In the first century B.C. the mischief was already done. A few great landowners ruled the state and some part of the old peasantry had become impoverished proletariate. In 104 B.C. a political leader at Rome asserted that there were not 2,000 men in the state who had property."

Westermann, *Decline of Ancient Culture, (American Historical Review* 20, 1915, Vol. XX, p. 739.)

About 2000 B.C. the period of the first palaces began. Central Crete went in for trade. Kings were rich and "built themselves dwellings suitable to their opulence, grandiose systems of apartments, workshops, magazines, and sanctuaries. At Knossos the palace, situated on a slight eminence, is protected by a powerful surrounding wall dominated by a keep. . . . At Mallia, on the edge of the sea, the walls are in places 2.30 meters thick." (p. 38.)

Somewhere about 1500 B.C. on the isle of Pharos was a basin of 150 acres "protected on one side by a jetty 700 metres long, and on the other by a breakwater 20 kilometres long and 60 metres broad for half its length. . . . In front of this basin another, equally long but

less broad, was protected in the same way. Both were again served by an outer port. One of the landing-quays is 14 metres broad." (pp. 190-1.)

Glotz, *Aegean Civilization.*

"Such is the picture of the economic and social situation in western Asia and Egypt when these lands were brought within the Roman Empire. In Asia Minor there were great royal domains, which the Roman state inherited, together with manorial estates and city-state territories. The mass of the agricultural population worked the land in a condition which certainly bordered on serfdom. In Egypt there was the state, the all-powerful Ptolemy at the top, holding an absolute monopoly of the land and of many lines of industry, and appearing as a strong competitor to private enterprise in other lines. Below him stood a middle class, including priests, soldiers, and large lease-holders who were already growing to be a semi-official body. Below them was the great mass of the Egyptian peasantry and laborers."

Westermann, *Decline of Ancient Culture. (American Historical Review,* Vol. XX, p. 738-9.)

The city walls around Lagash, originally a Sumerian city, which were built by Gudea (2450 B.C.), were found to be 32½ ft. thick and are still in position, at some points to a height of 26 feet. (p. 192.)

The walls of Tiryns in some places were 57 feet thick; Mycenas 4 feet thick, rising in places to 56 feet in height. (p. 334.)

Baikie, *Life of the Ancient East.*

Roman roads were built by excavating to hard pan or by filling. They were founded on a stratum of large stones; then a layer nine inches thick of smaller stones cemented with lime; next a stratum 6 inches thick of still smaller stones, pieces of broken brick and pottery. The whole was bound together with Roman cement, smoothed and flattened on top. Over all, large flat blocks of hard stone, were fitted well together. The width of the road varied in breadth from eleven to fifteen feet.

Davis, *Wealth in Imperial Rome,* p. 99.

"Throughout the ancient world there was a constant tendency to sink accumulated wealth in palaces, temples and decorative buildings, rather than to employ it as capital for the production of wares. Though a large part of the imperial (Roman) resources was devoted

to public works, very little was employed on remunerative public works, i. e.. on works which brought in an annual revenue and thus rendered it possible to replace the outlay expended upon them."

Cunningham, *Western Civilization,* Vol. I, p. 184.

The extent of fortunes in Rome in 50 A.D. were huge, maximum fortunes being from 300 to 400 million sesterces (12 to 16 million dollars).

One Roman family had an income of about $1,200,000 per year.

The fortune of Narcissus was 24 million. (pp. 65ff.)

"Vopiscus tells of a landed estate that had 500 slaves, 2,000 cattle, 1,000 horses, 10,000 sheep and 15,000 goats."

Claudius Isidorus who died about 8 A.D. had 4,117 slaves, 3,600 yoke of oxen, 257,000 head of other animals and 60,000,000 sesterces in funds. (p. 144.) Davis, *Wealth in Imperial Rome.*

"It was, however, chiefly to raising rare birds that the rich turned in order to increase the revenue of their properties. Large villas—the word meant a farm—were set up from the second century at the gates of the metropolis, so that its needs might be met rapidly: later, they spread as far as the neighbourhood of Tarentum and of Naples, but Ostia and the locality which is now known as Albano remained the centres of this production. Many of these villas produced £4,000 in revenue, and more, and the fact is not surprising when one reflects upon the extraordinary table luxury which prevailed at the time of the Civil Wars. The actor, Aesopus, whose fortune was not excessive, offered banquets at which the guests ate £1,000 worth of song birds. A land owner is mentioned who could alone furnish 50,000 thrushes in one day. Aufidius Lurco, who derived £600 from the sale of peacocks was, according to Varro, but a poor bird-breeder by the side of others whose income from their trade was £12,000 or £16,000 at least, if certain writers are to be believed." (p. 170.)

"In order to dazzle Asia, Nero granted King Tiridates a daily pension of £8,000. He played dice for £4,000 a point. Then, after the great fire of A.D. 64, he caused a golden palace to be erected, he exclaimed: 'At last I am going to be housed like a human being!' Vitellius obliged one of his friends to prepare a meal for him which cost £4,000, at which 2,000 fishes and 7,000 birds were consumed. He sent ships to Gades and messengers as far as Parthia to discover rare viands. Domitian had an artificial lake constructed in order to stage a naval battle." (p. 235.)

"A deep chasm opened between the two social categories, proprietors and expropriated. The abolitions of debts which were on several occasions ordered—they were in any case only partial—for instance in 88 under Sulla and in 49 under Caesar, did not even attenuate the terrible burdens which pressed on the middle class. It is not surprising that the latter, whose normal state it was to be obliged to pay 24 per cent and 48 per cent interest, broke up to the point of almost complete disappearance and went to join the *plebs* in increasing numbers with each succeeding generation. This then—the swollen ranks of a miserable proletariat—was the result of conquest and tribute, of the trade in cereals of the growth of slavery, the increase of currency, of unbridled usury; in brief of all that characterized Roman activities at home and abroad during the last two centuries of the Republic." (p. 211.)

"As the plutocracy accumulated its wealth it relegated the plebeians to an ever more pitiable condition. The *latifundia*, which were occupied by herds of slaves—who, too, were carried off from subjugated countries—increased incessantly at the expense of the small holdings. The evolution which had begun in the fourth century continued with irresistible force; the dispossessed husbandmen fled to Rome, whilst the cultivation of cereals—ruined as it was by imports from Sicily, Africa and Egypt—gave way to that of the vine and the olive, to the breeding of rare and costly birds and the raising of the luxurious fruits which adorned the tables of Lucullus, Crassus and the like. A formidable army of unemployed grew up in the capital—a ready prey to the seductions of the ambitious, a permanent menace to social balance and a revolutionary force which never acted for its own profit." (p. 90.)

Louis, *Ancient Rome.*

"Its annihilation, the transformation of the individualised and scattered means of production into socially concentrated ones, of the pigmy property of the many into the huge property of the few, the expropriation of the great mass of the people from the soil, from the means of subsistence, and from the means of labour, this fearful and painful expropriation of the mass of the poeple forms the prelude to the history of capital. It comprises a series of forcible methods, of which we have passed in review only those that have been epoch-making as methods of the primitive accumulation of capital."

Marx, *Kapital*, Vol. I, p. 835.

"According to Polybius, Italy at the time of the Macedonian expeditions counted five and a half million *servi*. According to certain

writers of antiquity, a million and a half slaves worked on the land towards the year 190 B.C. and it is known that the rural population was at that time greatly in excess of that of the towns. The same sources assess the number of servile workers at the end of the Republic at 4,500,000.

"Modern economists have in general reduced these statistics on the ground that they are exaggerated. Beloch considers that the capital contained about 400,000 slaves at the time of the final triumph of Octavius: he quotes the same figure for the number employed in Sicily at the middle of the second century B.C. whilst the total for the Peninsula he sets at a maximum of 1,500,000. Dureau de la Malle estimates the number of *servi, liberti* and foreigners at 2,312,000 in 225, and if we deduct the two latter categories, the *servi* could not have numbered two millions."

Louis, *Ancient Rome,* pp. 135-6.

"Even the best men of the age, such as Cicero, Caesar, Lucretius, show hardly a sign of any sympathy with, or interest in, that vast mass of suffering humanity, both bond and free, with which the Roman dominion was populated; to disregard misery, except when they found it among the privileged classes, had become second nature to them."

Fowler, *Social Life,* pp. 235-6.

"Corn was the chief element in the food distributions. Augustus gave it to 200,000 people, after which this total rose, fell and rose again, varying between 180,000 and 320,000. In the time of Septimius Severus, Rome consumed nearly 28 million bushels and the treasury spent the equivalent of £480,000 annually. That emperor boasted of having seven years' supply in his granaries and made the oil grant general; Elagabalus reduced this but Alexander Severus again increased it. Bread of poor quality took the place of corn in the Aurelian period and in 367 Valentinian ordered that this bread should be of the best quality. In the fourth century, the emperors caused quarters of meat to be given to the paupers whose names were entered on the registers of *annona*, besides the special subsidies which also included food of all kinds. It has been estimated that from the time of Caesar to that of Diocletian, £120,000,000 was spent on corn and broad alone." (p. 239.)

"We are moreover tempted to add considerably to the number of inhabitants assigned to the city by many historians, when we remember that under the censorship of Cato the Elder, that is to say at the beginning of the second century, the office of the *annona* was concerned

in finding subsistance at a low cost for 200,000 persons, and that at the time of Clodius, in 58, 320,000 paupers received a free dole of corn." (p. 153.) Louis, *Ancient Rome.*

"Set about by countless officials and shorn to the very skin, the fellahs lived under the Ptolemies, 'patient, laborious, cheerful,' yet filled with hidden bitterness at the magnificence in which their masters lived at their expense in Alexandria."

Ferguson, *Greek Imperialism*, p. 170.

"In general the signs of growing impoverishment become more and more frequent, and the tone of the later edicts shows how deeply the Roman statesmen were impressed by the misery of the lower classes. A terrible famine, which raged throughout Italy in 450, had actually driven many of the poor to sell their children into slavery. An edict, issued on the suggestion of Aetius, cancelled all such contracts, on repayment to the purchaser of the price which the parents had accepted, with an addition of 20 per cent." (pp. 242-3.)

"The real canker at the root of that society was not gross vice, but class-pride, want of public spirit, absorption in the vanities of a sterile culture, cultivated selfishness. It is difficult for a modern man to conceive the bounded view of society taken by people like Symmachus and Sidonius, the cold, stately self-content, the absence of sympathy for the masses lying outside the charmed circle of senatorial rank, the placid faith in the permanence of privilege and wealth, the apparent inability to imagine, even in the presence of tremendous forces of disruption, that society should ever cease to move along the ancient lines." (p. 211.) Dill, *Roman Society.*

§43. IMPERIAL OVERHEAD

"A l'époque de Cicéron, il s'était constitué une classe de *negotiatores* et de *publicani* a la chasse de la fortune dans tous les pays, une classe si nombreuse que dans certains lieux elle intervenait en corps dans les solenités publiques. Quelle était l'importance des sommes sur lesquelles ils opéraient, c'est ce qui résulte de ces faits: F. Pinnius, cité par

Cicéron, était créancier de la ville de Nicée pour une somme de 8 millions de sesterces (=2,000,000 de fr.); ils formaient des associations analogues à nos "crédits mobiliers," avec directeurs, cassiers, agents, etc. A l'époque de Sylla se constitue la société des Asiani avec un capital assez important pour pouvoir prêter à l'Etat 20 mille talents, c'est-à-dire 125 millions de francs. Douze ans après elle faisait monter sa créance à 120 mille talents."

Salvioli, *Le Capitalisme*, p. 40.

"The people of antiquity settled round the Mediterranean like frogs round a pond." There were many chances for trade and industry. At the outset the traders were despised. Phoenicians were held in contempt by the Greeks, but "as trade passed more and more from the Phoenicians to the Greeks, the rich, and especially the nobility, soon learned to appreciate the easy art of gaining money by lending money in commercial transactions. At the time of the golden age of Athens, all the most prosperous citizens were engaged in overseas commerce; the richer ones lending out their capital to others at high interest, the less important people transacting it."

Müller-Lyer, *History of Social Development*, p. 174.

"L'histoire économique de Rome confirme entièrment ce que Marx a relevé dans ses notes historiques sur la période précapitaliste. A Rome on ne trouve que du capital productif d'intérêt, du capital usuraire, et du capital commercial, qui appartiennent tous deux aux formes primitives du capital, aux formes antérieures à la production capitaliste." Salvioli, *Le Capitalisme*, pp. 237-8.

"From the social point of view, the community consisted of a rather small ruling class, residing in the city of Rome and mostly large landowners in Italy and in the provinces. A numerous and influential class of business men and landowners formed, along with the senatorial class, the upper section of the population both in the capital and in the cities of Italy. Some of these business men were immensely rich, some less opulent. The majority of them lived the life of *rentiers*. The real working-class consisted of retail-traders and artisans in the cities, of slaves in the offices and shops of the *bourgeoisie*, of free peasant landowners in the country, and of a huge and ever-growing multitude of slaves and tenants on the estates of the landed *bourgeoisie*. The same distribution in groups was reproduced among the bodies of Roman citizens in the provinces." (p. 36.)

"The prevailing outlook of the municipal *bourgeoisie* was that of the *rentier:* the chief object of economic activity was to secure for the individual or for the family a placid and inactive life on a safe, if moderate, income. The creative forces which in the early Imperial period produced a rapid growth of industrial activity in every quarter of the Empire, and promoted a high standard of technical improvement alike in commerce, in industry, and in agriculture, suffered a gradual atrophy, which resulted in an increasing stagnation of economic life. The activity of the urban middle class degenerated into a systematic exploitation of the toiling lower classes. Its accumulated wealth was mostly invested in land. Commerce and industry became decentralized, and they came to be pursued as a means of adding to an income derived mainly from agriculture." (p. xi.)

Rostovtzev, *Social and Economic History.*

"More and more there emerges, as one of the tendencies of imperialism, the creation of the 'Bond-holding (Rentier) State,' the usurer State, in which the *bourgeoisie* lives on the exportation of capital and on the 'clipping of interest coupons'."

Lenin, *Imperialism,* pp. 104-5.

"To protect the king's person a guard had been formed of Persians and Medes and probably also of Susians, to judge from the friezes of the palace of Susa, now in the Louvre, in which the dark faces indicate inhabitants of hot countries. This guard, divided into three corps, contained 2,000 horsemen and 2,000 foot soldiers, all of noble birth. They were armed with lances with gold or silver apples at the lower end, on the strength of which the Greeks called them *melophoroi.* The Archer Frieze shows that in addition to the spear, about seven feet long, they carried a bow and a quiver of arrows. Next to them came a corps of 10,000 men, called the Immortals, forming ten battalions, the first of which bore lances adorned with golden pomegranates. . . .

"This guard, with the garrisons of the more important strongholds, was the only permanent part of the army."

Huart, *Ancient Persia,* p. 77.

"More credible estimates of the Egyptian army place it at 80,800 under the second Ptolemy and (exclusive of natives, who then numbered 26,000) 49,700 under the fourth Ptolemy."

Ferguson, *Greek Imperialism,* p. 168.

"Like many later rulers, however, the Assyrian emperors made a profound mistake in their method of governing their empire. The industries were destroyed and the farms left idle in order to supply men for a great standing army. Even so, the Empire had grown so large that the army was unable to defend it. As reports of foreign invasions and new revolts came in, the harassed ruler at Nineveh forced the subjects of his foreign vassal kingdoms to enter the army. With an army made up to a dangerous extent of such foreigners, with the commerce of the country also in the hands of foreigners, with no industries, and with fields lying idle—under these conditions the Assyrian nation fast lost its inner strength."

Robinson & Breasted, *History of Europe,* Vol. I, pp. 54-5.

Athens must retain control of the sea at all costs. That meant a fleet in constant fighting trim. "In the effort the Athenians made the most heroic financial and personal sacrifices. . . . Between 410 and 402 B.C.—a time of great economic distress—a well-to-do citizen was called upon to expend twenty thousand francs—which are perhaps equal in purchasing power to as many dollars—on what we may call national education and entertainment. His taxes on account of the fleet amounted in the same years to double as much, or forty-three thousand francs. Great as was the burden of the rich, that of the commons was conceded by their adversaries to have been still greater." (p. 68.)

Accepting the estimate of Aristotle, Ferguson concludes that one-twelfth "of all the Athenians were on active naval duty during the sailing season of almost every year. In addition, two thousand men were drafted yearly by lot to serve in garrisons throughout the empire; so that, if these are added to the seven hundred (?) imperial magistrates, and the five hundred guards of the arsenals, nearly another one-twelfth of the citizens was involved." (p. 69.)

Ferguson, *Greek Imperialism.*

"The military machine at the end of this period attained unprecedented dimensions, for on the one hand the emperors endeavoured to increase their power by adding to the number of their faithful Praetorians and on the other the barbarian attacks were renewed at so many points of the frontier that a chain of armed men had to be kept in perpetual readiness along a line thousands of miles long. At the end of the Republic the State maintained only 13 legions: Diocletian possessed 67, recruited both among the peoples of the provinces and

among the barbarians who joined *en masse*. Not only did the numbers increase without abatement but the pay was raised on several occasions and Caracalla alone added £2,800,000 to this item of expenditure."

Louis, *Ancient Rome*, p. 231.

"In the early Empire the bureaucratic system was slowly replacing the system of city government in the capital, but was more or less adjusted to, and co-ordinated with, the principle of local self-government in the provinces and in Italy. Now it was systematically developed and extended to every field of administration. . . . Suffice it to say that from the time of Diocletian and Constantine the aim of the central government was to build up a well-organized bureaucratic machinery which, under central direction, would be equal to the task of managing all the affairs of an immense state. . . . Being supreme and omnipotent, and not subject to any control exercised in one way or another by those who were the lifeblood of the state, the bureaucracy gradually became utterly corrupt and dishonest and at the same time comparatively inefficient, in spite of the high professional training of its members. Bribes and illicit gains were the order of the day, and it was idle to seek to put an end to them by means of a vast system of espionage and of mutual control exercised by officials over each other. Every addition to the army of officials, every addition to the host of supervisors, served to increase the number of those who lived on bribery and corruption. The worst were the thousands of secret police agents, the *agentes in rebus*, who were the successors of the *frumentarii* and whose duty it was to keep an eye on the population and on the host of imperial officials."

Rostovtzev, *Social and Economic History*, pp. 459-60.

"It was, however, the bureaucracy above all which ruined the treasury: scribes of all sorts and conditions swarmed in the centre and in the remoter parts, complicating with their useless forms and their red tape an administration which was in itself already complex enough, penetrating into every detail of economic life and spreading over the towns and the countryside a network of controls, of informers, and of oppressions—a framework which instead of supporting this vast body of nations, crushed it with its whole weight. It became possible to write that 'those who live at the expense of the public fund are more numerous than those who provide them.' (pp. 231-2.)

"In order the better to established this centralization, the princes divided the provinces into sections so that the administrators con-

trolled only relatively limited areas. The number of such divisions, which at the end of the Republic was 14 and at the accession of Hadrian was 45, rose to 57 at the beginning of the reign of Diocletian and to 96 at his death. Further, between the Empire as a unit and the provinces there were the dioceses to the number of 12—the Eastern (which included Egypt, Syria, and Mesopotamia), those of Pontus, Asia (western portion of Asia Minor and the isles of the Archipelago), Thrace, Moesia, Pannonia, Italy, Africa, Spain, Viennensis, Gaul and Britain. An enormous army of bureaucrats of all kinds, infinitely subdivided, exercised their often intolerable exactions and their vexatious authority from one extremity to the other of the known world, their essential function being to bring into Rome resources which never appeared sufficient, to squeeze agriculture, industry and commerce for the benefit of a treasury which seemed to be always empty. The machinery of the empire proved terribly costly after the end of the second century. Its demands increased to an insane extent at the very moment when the great economic crisis made its appearance and helped to aggravate it." (pp. 230-1.) Louis, *Ancient Rome.*

§44. CIVIL WAR

"While all was outwardly splendour and tranquillity, and the whole nation was celebrating the king who had saved the empire, the forces of decay which had for generations been slowly gathering in the state were rapidly reaching the acute stage. An insatiable and insidious priesthood commanding enormous wealth, a foreign army ready to serve the master who paid the most liberally and a personal following of alien slaves whose fidelity likewise depended entirely upon the immediate gain in view—these were the factors which Ramses was constantly forced to manipulate and employ, each against the others." Breasted, *Decline and Fall of the Egyptian Empire, (Cambridge Ancient History,* Vol. II, p. 186.)

"Concurrently with the external wars there raged within the Greek cities . . . an unceasing class-warfare, which originated in the steady

growth of a well-to-do *bourgeois* class and the corresponding impoverishment of the masses. This class-war . . . made a healthy economic life within the city-states almost impossible."

Rostovtzev, *Social and Economic History*, p. 2.

An annual declaration of war on the Helots.

"They picked out young soldiers, and sent them about among the Helots, with instructions to strike down secretly all who seemed restless or over-ambitious. The chief centre of Helot disaffection, at least in the seventh and sixth centuries B.C. was on the far side of Mount Taygetus, in Messenia. There the yoke of serfdom chafed more than elsewhere." Ferguson, *Greek Imperialism*, p. 87.

"The sixth century ended with a revolution that drove the Etruscan tyrants out of Rome. That this was not entirely a nationalistic movement we may infer from the fact that many of the nobles prominent in the new government bore Etruscan names. Nor does it bear the marks of being a democratic stroke; the succeeding government was in every respect oligarchic in form. But it inaugurated a bitter struggle of two centuries between the patricians who controlled the state, and the plebians who bore many of its burdens although enjoying few of a citizen's privileges. This new revolution shows in its endless checks and counter-checks, its intricate compromises and juristic fencing, the patient legal-mindedness of the Roman race. No nation in history except the English has under like pressure produced a similar drama of bloodless revolution. . . . The laws which the struggle produced are abiding testimony that the battle was fought largely on economic grounds; and early Roman society reveals a caste system largely based on economic premises."

Frank, *Economic History*, pp. 40-1.

"From the social point of view, then, there was no levelling and no equalization. In the late Roman Empire society was subdivided not into classes, but into real castes, each as close as possible, in some cases because of the privileges connected with the caste, in others because of the burdens and hardships, which prevented anybody from desiring to be admitted and made membership hereditary and compulsory. Nor was there even equality in the common slavery to the state. There was indeed equality of a negative kind, for no political freedom was tolerated, no remnant of self-government was left, no freedom of

speech, thought or conscience was permitted, especially after the victory of Christianity; but even this equality of slavery was superficial and relative." (pp. 473-4.)

"The foundation of the Empire, the urban middle class, was not strong enough to support the fabric of the world-state. Resting as it did on the toil of the lower classes—the peasants of the country and the proletariat of the cities—the municipal *bourgeoisie,* like the imperial aristocracy and bureaucracy, was unwilling to open its ranks to the lower orders. All three groups became more and more exclusive, and the society of the Empire became more and more divided into two classes or castes—the *bourgeoisie* and the masses—the *honestiores* and the *humiliores.* A sharp antagonism arose and gradually took the form of an antagonism between the country and the cities." (p. ix.)

Rostovtzev, *Social and Economic History.*

"The class struggles in this second period of Roman history followed much less simple lines than in the first. A new factor was present—side by side with and in the face of the ancient landed nobility there was an increasing equestrian order which had enriched itself by exploiting the wars, by trade, industry, usury and by the system of concessions, and was tending to predominate in the land. This order of *equites,* naturally hostile to the senatorial patrician class, whose privileges it wished for itself, attempted to seek support among the ever growing *plebs* of the capital: then, when the mob became too menacing and their riches seemed in peril, the *equites* once more turned towards their late enemies." (p. 106.)

"Factors of disturbance and causes for anxiety multiplied incessantly from the middle of the reign of Marcus Aurelius, for work could not be carried on and trade could not develop in the prodigious turmoil of civil wars, devastations and persecutions which visited the Empire in the phase of terror that lasted until the final partition. The internecine struggles, the clash of arms, seditions and the pillaging of towns paralysed production and the economic crisis itself contributed with inevitable logic to turn the Roman world into a ready prey for all aggressors." (p. 221.)

Louis, *Ancient Rome.*

§45. FOREIGN WARS

Hittites destroyed the Empire of the descendants of Hammurabi 1925 B.C. with the capture of Babylon.

About 1900 B.C. the Hyksos appear.

By 1700 B.C. the Hyksos had reached the Delta and controlled at least lower Egypt. Moret, *From Tribe to Empire*, pp. 243 ff.

Said one Assyrian King: "Every second person was killed. I constructed a wall before the great gates of the town. I skinned the chiefs of the revolt and covered the walls with their hides. Some were built living into the masonry, others crucified or impaled along the wall." (p. 52.)

"These implacable shepherds caused the most wanton destruction of life and property, killing apparently for the mere lust of blood, and erecting enormous pyramids of skulls as memorials of their military magnificence." (p. 67.)

The Chinese were over-run by the Mongols from central Asia.

"The Chinese had good reason to dread the shepherd hordes ensconsed beyond the north-western frontiers. It was there that the great wall was built which is often declared to be the mightiest work of man. Ineffectual as it was to stem the nomads, it remains the symbol of the greatest of historical antagonisms—that between the shepherd and the ploughman." (p. 68.)

Cowan, *Master-Clues*.

"Hadrian was chiefly concerned to maintain certain of Trajan's conquests: he abandoned Armenia, Assyria and Mesopotamia in order the better to defend the remainder. The Germans having grown increasingly threatening, he constructed from Coblenz to Regensburg a wall 300 miles long and similar to the much shorter wall which he had erected in Britain. From his day, the emperors, assailed by hordes who rushed to the assault of the Roman world, were to make war permanently." (p. 219.)

"From 235 to 395 incessant battle raged on all the extremities of the Roman world. Attacks were made by the Franks and the Alemanni in Gaul, Spain and Italy, by the Goths at Byzantium and in Asia Minor, by the Persians in Syria under Valerian and Gallienus (253-260), and by the Goths in Macedonia under Claudius II (268-270), who repulsed them with great bloodshed. Aurelian (270-275) aban-

doned Dacia, which seemed too remote to be worth defending, but he repulsed and captured Zenobia, the regent of Palmyra. On the death of that prince, the Germanic tribes fell upon Gaul, whence they were driven by Probus.

"Diocletian also fought the Persians and the untiring and elusive Germans, whose menace became so strong that he was led to cover Gaul with forts. Constantine was continually on the move between the Rhine and the Danube enrolling barbarians—Goths, Vandals and Sarmatians—to reinforce his army in its struggles with other barbarians. Julian crushed the Alemanni who invaded the eastern portion of Gaul: he thrust them back to the Rhine and died later in Assyria (364) whilst pursuing the King of Persia. Valentinian I defeated the Alemanni and the Quadi whilst the Visigoths installed themselves by force in Thrace and in Moesia." (p. 220.)

Louis, *Ancient Rome.*

§46. COLONIAL REVOLT

Egypt:

Ahmose (1580-1557 B.C.) freed the country from the Hyksos. Then he turned toward the South, where the Numidians had revolted during the long period of disorganization following the Middle Kingdom.

Immediately after this campaign his rivals for the Egyptian throne south of el-Kab rose in revolt. He defeated them, but they rose again. He quelled that rebellion also. (p. 40.)

The centre of rival power in the Hittite Kingdom after the death of Ramses II (1225 B.C.) centered in Kadish on the Orontes. In 1223 B.C. the subject peoples entered into a coalition and revolted against Egypt.

Revolt put down by Merneptah.

Lybians were also pushing into the Delta from the West. (pp. 165-6.)

Breasted, *Decline and Fall of Egypt, (Cambridge Ancient History,* Vol. II.)

"Presently the colonies themselves took to business. Some sent the surplus of their production to distant countries. Acragas sent oil and

wine to Carthage. Most of them supplied the peoples of the interior with manufactured goods; at first they obtained them from overseas and resold them at a great profit, and later they started to manufacture them on their own account. The cities of Italy in particular organized themselves thus for trade." (p. 122.)

"Business and banking created fabulous fortunes." (p. 118.)

"Taras, which lived largely on agriculture, stock-breeding, and fishery, disposed of its wines, oils, and wool in Greek cities and barbarian countries; then it sent vases of Cyrene and Sparta into the depths of Italy; and finally it worked its own wool and had textile works and dye works." (p. 122.)

Glotz, *Ancient Greece.*

"Another phenomenon of the same type was the gradual migration of industry to the provinces. From the earliest times Gaul showed an unusual capacity for developing industry. Under Roman rule she continued to do so on a very large scale and soon appeared as a serious rival of Italy in the production of articles which were most characteristically Italian, such as relief clay vases and metal ware. The wonderful system of French rivers and the age-long connexion of Gaul with Britain and Germany made a rapid development of Gallic industry easy and profitable. Italian products began to disappear from the Celtic and German markets."

Rostovtzev, *Social and Economic History,* p. 91.

Note that pillage destroys the prosperity of an economic system. In the fearful destruction after the Third Macedonian War, the cities of Epirus were handed over to the Roman army by the Senate. "In one hour seventy towns were plundered and 150,000 men enslaved and sold." Plutarch comments that "a whole nation had been ruined."

Homo, *Primitive Italy,* pp. 266-7.

§47. IMPERIAL DECAY

After the death of Merneptah (1215 B.C.) and the conflict for the throne which arose at the fall of Seti II, "the whole country fell into

the hands of the local nobles, chiefs and rulers of towns. . . . The nation must have been well on toward dissolution into the petty kingdoms and principalities out of which it was consolidated at the dawn of history. Then came famine." (p. 171.)

"Property rights were therefore no longer respected and even the revenues of the temple were diverted." (p. 172.)

The Libyans plundered and migrated (about 1200 B.C.).

Reorganization under Ramses III, 1198 B.C.

Defeat of Lybians—1194 B.C.

Defeat of Philistines—1190.

Defeat of Lybians—1187.

Under Ramses IV Egypt ceased to work the mines of Sinai.

Under Ramses XI the Valley of Tombs was looted.

Breasted, *Decline and Fall of Egypt, (Cambridge Ancient History,* Vol. II, pp. 171 ff.)

"After Hammurabi's death his kingdom swiftly declined. Barbarians from the mountains poured into the Babylonian plain. The most important thing about them was that they brought with them the horse, which then appeared for the first time in Babylonia (twenty-first century B.C.). They divided and soon destroyed the kingdom of Hammurabi. After him there followed more than a thousand years of complete stagnation in Babylonia. Progress in civilization entirely stopped, and there was no revival until the triumph of the Chaldeans."

Robinson & Breasted, *History of Europe,* Vol. I, p. 49.

Reformers in Athens tried to mitigate the worst evils of imperialism.

"Plato and Aristotle, with a blind faith in the power of education and of legislation, aimed to divert citizens from work to leisure and from war to peace, and both to eradicate the greed for land and money and to restrict the natural increase of population to which they traced the imperialistic spirit."

Ferguson, *Greek Imperialism,* p. 26.

Si quelque empereur réussissait à mettre un peu d'ordre dans les finances et à faire des économies, les guerres, les soulèvements du peuple ou les prodigalités de son successeur dissipaient tout, comme Vitellius qui en quelques mois dépensa 900 millions de sesterces épargnés par Galba et par Otton. Au III siècle, la crise fut stationnaire: l'empire était ruiné par les tyrans, par les guerres civiles, par les invasions, par la nombreuse bureaucratie qui augmenta encore quand l'empire fut

divisé et que l'on créa quatre cours, c'est-à-dire quatre centres de luxe oriental. L'économie publique était ruinée par les nombreuses dépenses improductives, par la balance du commerce toujours défavorable, par la paresse générale, de même que l'économie privée était ruinée par un luxe mal réfréné par des lois somptuaires, qui défendaient l'usage de l'or dans les vêtements et qui permettaient tout au plus l'emploi de l'argent." Salvioli, *Le Capitalisme*, p. 282.

"The wars and social confusion of the latter part of the third century gave a shock to commerce from which it never recovered. In that disastrous time the vast destruction of wealth, the interruption of free circulation on the great routes, the loss of confidence, and the portentious depreciation in the currency, must have operated with crushing effect on the trading class."

Dill, *Roman Society*, pp. 247-8.

"As a result of these conditions, the general productivity of the Empire constantly decreased. Larger and larger tracts of land ran to waste. Irrigation and drainage works were neglected, and this led not only to a constant reduction in the amount of land under cultivation, but perhaps also to the spread of malaria, which gradually became one of the most terrible scourges of mankind. The exchange of goods became more and more irregular, and the various parts of the Empire came increasingly to depend on what they themselves produced. Hence the frequent occurrence of famines; hence, too, the decay of industry, which worked more and more for a small local group of consumers, whose demand was confined to the cheapest and plainest products. Naturally every home, large and small, endeavored to become as self-supporting as possible, and home-production flourished as it had never done before. No partial measures could counter this progressive decay."

Rostovtzev, *Social and Economic History*, pp. 424-5.

"On n'exportait rien de l'Italie, sauf un peu d'huile et de vin et quelque autre marchandise, mais tout cela en si faibles quantités qu'elles ne pouvaient balancer les coûteuses importations qu'il fallait payer en exportant de l'or et de l'argent. De plus, il y avait des nations avec lesquelles on ne pouvait trafiquer qu'avec de l'argent, comme celles de l'Arabie, par exemple, qui n'acceptaient que de l'argent en échange de leurs précieuses marchandises. Nous avons vu que Pline

estimat qu'a son époque il sortait par an au moins 100 millions de sesterces: et son calcul était inférieur à la réalité. . . . Et ce commerce n'était pas seulement débiteur envers l'Orient mais même envers les populations du Nord qui faisaient affluer à Rimini et sur d'autres marchés de la haute Italie des peaux et des esclaves et qui, n'ayant pas de besoins à satisfaire, ne voulaient pas de marchandises en échange, mais de l'argent. C'était en somme un drainage des métaux précieux de Rome à la périphérie, c'était de l'argent qui s'en allait et ne retournait plus."

Salvioli, *Le Capitalisme*, p. 280.

"Work was disorganized and productivity was declining; commerce was ruined by the insecurity of the sea and the roads; industry could not prosper, since the market for industrial products was steadily contracting and the purchasing power of the population diminishing; agriculture passed through a terrible crisis, for the decay of commerce and industry deprived it of the capital which it needed, and the heavy demands of the state robbed it of labour and of the largest part of its products. Prices constantly rose, and the value of the currency depreciated at an unprecedented rate."

Rostovtzev, *Social and Economic History*, p. 453.

"In the midst of the universal disorganization trade was reduced to a simple traffic in foodstuffs or in manufactures of primary necessity, and its range of circulation was very narrow. The great home and foreign commerce, which had developed so brilliantly under the empire, was no longer possible. Everything which was necessary to promote and to facilitate business was lacking. Land was now once more the sole capital, and natural products served as a medium of exchange. Trade by barter, the primitive method in use among the Germans, reappeared in the ancient Roman Empire, where money became rare and credit disappeared. The fine Roman roads, no longer kept in repair, deteriorated, the bridges fell down, the imperial post ceased, there were no more relays. All rapid movement became impossible. Everywhere insecurity reigned; brigands fell upon travellers and merchants on the edge of the woods and at the fords across rivers and marshes. Armed bands prowled about the country, and journeys became perilous expeditions, undertaken only in caravans and with armed escorts. The ports declined, the seas were infested with pirates, maritime trade became as uncertain as land commerce. The great transport companies had for the most part broken up, and the ship-builders were ruined."

Boissonnade, *Life and Work*, p. 28.

"The Empire was to know more than two hundred years of prosperity and then to experience nearly two centuries of misery, of incessant crises, of agricultural decay, rural depopulation, industrial decline, and insecurity. Because the slave system was no longer able to furnish all the services which were traditionally expected of it, the emperors gradually substituted for slavery a new form of social relationship—the colony system. Because the food supply of the great cities was compromised by the collapse of the artisan class, the State in its turn took the initiative of organizing and regulating production by constituting privileged corporations. Because these privileged corporations exploited their quasi-monopoly—profiting by the troubles of the times and the fluctuations of production to raise prices—the State intervened, fixing a maximum and thus interfering still more than before with the workings of the economic machine. It was probably in order to maintain a stronger hold on these corporations, whose claims grew as their services became more essential, that the emperors multiplied the number of official factories, which provided arms and equipment for the legions and probably other products as well." (pp. 214-5.)

"Enormous sums had to be found to pay the soldiery, to construct strongholds, to subsidize the barbarians who established themselves in the frontier districts—they were in any case a doubtful and fragile barrier against other barbarians—and to run the luxuriant and stifling bureaucracy which took root and flourished in all the provinces as though it were called upon to hold together the weakened fabric of the Empire. In this way the fundamental weakness of the régime came to light. Financial sacrifices and constraints were redoubled with the object of introducing a healthy economic system and ensuring the dominion of Rome. But the fiscal burden weighed so heavily upon the people as a whole that it imposed stagnation, and the constraints became so hated that nobody felt it in his interest to keep in existence so oppressive a system." (p. 215.)

"Rarely in history has humanity experienced a period of misery so continuous as that between the reigns of Caracalla, Macrinus and Elagabalus and the death of Theodosius. Rarely has such despair afflicted at one time millions and millions of men bowed under the yoke of boundless despotism and visited daily by some fresh terror—their earnings menaced by pitiless taxation, their work by internecine struggles and revolts and their lives by barbarian invasion." (p. 216.)

Louis, *Ancient Rome.*

"The melancholy third century is a period about which our information is extremely defective, and drawn from very few sources, in which criticism is constantly detecting interpolations. At any rate they give a correct general impression, showing us the provinces left forsaken and obliged to defend themselves against brigandage and the pressure of the barbarians which was everywhere felt, on the Rhine, the Danube and the Euphrates. . . .

"The texts and other documents bear witness to innumerable attacks repelled, or ended, after futile slaughter, by the exhaustion of both sides. Vast territories changed hands again and again. We should marvel that complete disruption and general collapse were not the results, if we did not remember that, after all, it was the Roman contingents among the combatants that showed the least indiscipline and the most military skill."

Chapot, *The Roman World,* p. 68.

§50. RETURN TO THE SOIL

"The only markets known were local, held in the gateway of a castle or monastery, or on the outskirts of a neighbouring town. Insecurity, anarchy, the multiplicity of seigniorial monopolies and tolls, the scarcity and difficulty of means of transport, the chaotic diversity of weights and measures and moneys, the scarcity of the currency, and the imperfection of instruments of credit were all obstacles to the circulation of merchandise." (p. 159.)

"The consumption of foreign goods was so feeble and the means of purchasing them so inadequate that, with the exception of certain regions, such as Italy, Southern and Northern France, Flanders, the Rhineland, and a few of the Danube lands, there did not yet exist in the West a special class of native merchants *(mercatores)*—that is to say, of middlemen between the producer and the consumer." (pp. 159-60.)

Boissonnade, *Life and Work.*

"Some of the towns were entirely destroyed in the period of disorder which followed the fall of the Roman government. London, for instance, which had been a flourishing town under Roman rule, must

have become a mere heap of rubbish. . . . When a town was not actually destroyed it ceased to live; the inhabitants had to take to agriculture to support themselves, and the town shrank to a mere village. . . . Of more than 500 modern French cities scarcely 80 can be traced back to the Roman period, and all of these lost their identity as towns and became simple villages in the intervening time."

Day, *History of Commerce,* pp. 41-2.

"Hundreds of virtually independent and often absurdly petty German sovereignties, whose indescribable medley of conflicting claims and authority bred an administrative chaos, and whose almost universal principle of dividing their lands among the heirs of successive sovereigns reduced most of them to impotence. In this situation, princes, nobles, cities, and districts formed leagues to defend or advance their interests." Abbott, *Expansion of Europe,* Vol. I, p. 10.

Decentralization of European society progressed after 500 A.D. Roads became bad and travel dangerous. Political power was localized, "in France, in the tenth century, . . . the number of little governments . . . is supposed to have exceeded 10,000." Commerce was abandoned except for furs, spices, jewels, etc. Isolated self-sufficiency predominated. Day, *History of Commerce,* pp. 32 ff.

"In Germany itself, so long afflicted with the horrors of a war that depopulated whole districts and dealt a blow to her resources and prosperity which, augmented by later conflicts, weakened her position for two centuries, almost the last vestige of central authority had disappeared. The imperial power, with all its tradition of form and precedence, remained but an empty symbol of unity over the four hundred and more sovereign states and free cities among which the lands between the Rhine and the Oder were divided." (1648.)

Abbott, *Expansion of Europe,* Vol. II, p. 3.

Political subdivisions of Europe:

England	800- 900 A.D.	p. 60
France	1035 A.D.	p. 61
France	1154-1184 A.D.	p. 69
Central Europe	1378 A.D.	p. 78-9
Central Europe	1477 A.D.	p. 86-7

Shepherd, *Historical Atlas,* 4th Ed.

"Bad roads and no bridges; the robber baron or band of outlaws to be expected in every favorable spot; legalized feudal exactions at the borders of every little fief; no generally prevailing system of law uniform throughout the country and really enforced; a scanty and uncertain currency, making contracts difficult and payment in kind and in services almost universal; interests and desires narrowed down to the mere neighborhood; these were the conditions of the 11th and 12th centuries." Adams, *Civilization,* p. 275.

"Thus about the middle of the seventeenth century even the most important high-roads were little more than mountain tracks, reduced in bad weather to the width of a footpath, furrowed with ruts, beset with quagmires, seeming at every turn to lose themselves in the swamps and moors." Renard & Weulersse, *Life and Work,* p. 65.

"To the great landlords, nobles and clergy alike, belonged not merely the land but the chief public utilities of that simple agricultural society, the mill at which the grain was ground, the smithy at which the tools and armor were made or repaired, often the ovens in which the bread was baked. Under their lords' direction roads were kept up by the tenants, to the nobles and monastic orders went the tolls and charges of the trade carried on within their domains, by pedlers or by fairs which brought them in touch with the outside world."
Abbott, *Expansion of Europe,* Vol. I, p. 14.

"Town life still languished, even in Italy, because the true political, social and economic activity of the time was concentrated in the great rural domains. This is why only a minute portion of the population gathered in the towns, the average size of which was from 1,000 to 1,500 persons in the tenth century, and the most populous of which in France and Germany, barely reached 7,000 or 8,000 inhabitants." (pp. 113-4.)

Very little was known about the working up of minerals and metals in the primitive little foundries which alone existed, and no technical progress was made in ironworking until the twelfth century. This useful metal was so rare that on one of Charlemagne's domains there were to be found only two axes, two spades, two gimlets, a hatchet and a plane." (p. 106.)

"Every great domain had a personnel of workmen who are enumerated in Charlemagne's famous capitulary *De Villis,* and in the charters and regulations of monasteries. These artisans were distributed in

male workshops *(camerae)* and female workshops *(gynaecia, sereonae)*, grouped into gangs under the disciplinary authority of an hierarchy of foremen—*ministeriales* and *magistri*—who were of servile birth like themselves. They might number several hundred in an imperial *villa*, in which all the industrial services were gathered—milling, baking, butchers' work, brewing, fishing, fowling, carpentry, woodwork, iron-work, weaving, spinning, rope-making, saddlery, laundry work, and soap-making, up to the workshops of the goldsmiths and painters of coats-of-arms. The women were specially occupied in spinning and weaving flax and wool, which they dyed madder blue or vermilion, and in making and embroidering stuffs and garments. Every domain, however small, usually possessed its oven-keepers, bakers, butchers, brewers, weavers, fullers and dyers, a few goldsmiths, and, above all, smiths—indispensable in these rural surroundings—as well as shoe-makers and needlewomen. This organization reached its highest point on monastic domains, where monks at the head of each service directed the different classes of workers, who had to provide the necessities of life." (p. 103.) Boissonnade, *Life and Work.*

§51. UNIFICATION: THE FEUDAL SYSTEM

England had a national law, and was never split up like Europe. The central government was therefore strong enough to preserve law and order. Local self government existed in the townships, etc.

Here was a greater unification than that in Europe; a sounder and more workable imperial nucleus.

"From as far back as the fourteenth century a common system of weights and measures had been in force throughout the kingdom. The coinage also was uniform and stable and was in circulation throughout this relatively small state, which by the precocity of its economic and political organization seemed already to be in advance of all other countries." Renard & Weulersse, *Life and Work,* p. 69.

The central government early tended to synthesize local privileges. "From the beginning of the fourteenth century, therefore, England

may be said in a certain sense to have had a 'national economy,' and not merely a 'town economy.' "

Ashley, *Introduction to English Economy,* Vol. II, p. 9.

Europe: Fifteenth Century.

"Everywhere the tendency was toward centralization, clans and districts massing into nations, semi-independent jurisdictions merging themselves into a single dominant Power. The necessity and the salutary effect of this evolution are proved by the happier fortune of the nations which conformed to it. England, France, Spain, the Scandinavian North, and after a while Russia, became great Powers. Where the movement towards coherence was but partial, as in Germany, the nation remained feeble and distracted; where it proved mainly abortive, as in Italy, the country fell under the sway of the foreigner."

Garnett, *Rome and the Temporal Power.* (*Cambridge Modern History,* Vol. I, pp. 219-20.)

"When, during the eleventh century, trade, surmounting the Alps, flowed down the Rhine and the Elbe and across the northern seas, pirates on the water and robbers in foreign lands, threatened the life of every traveller. To protect their citizens, some of the German ports early coalesced and though this coalition did not earn the name of the Hanseatic League until a comparatively late date, the corporation existed, probably from the beginning. Had the German trade routes converged, so as to give all Germany a community of interest, such a league could hardly have been evolved, for the purposes for which it was established could have been more cheaply accomplished by a centralized government, as in France or England."

Adams, *The New Empire,* pp. 65-6.

"Much of the history of Europe in the fifteenth century may be expressed in a single word,—coalescence. A movement, as spontaneous and irresistible as those which had in former times lined the Mediterranean coasts of Asia Minor with Greek colonies, and impelled the Northern nations against the decaying Roman Empire, was now agglomerating petty States and feudal lordships into nations; a process involving vast social as well as political changes."

Garnett, *Rome and the Temporal Power.* (*Cambridge Modern History,* Vol. I, p. 219.)

"Le Portugal possédait, au début du XVe siècle, une forte unité politique. Les provinces n'avaient ni vie propre, ni institutions particulières. Aucune ne se montrait rebelle au gouvernement royal. La dynastie qui occupait le trône depuis 1385, avait vu son existence menacée pendant plus de vingt ans par le roi de Castille Jean I^{er}, qui réclamait le trône de Portugal pour sa femme Béatrice, fille de Ferdinand."

Lannoy, *Histoire de l'Expansion Coloniale,* Vol. I, p. 11.

"Commerce itself was the great force that broke the power of feudalism. Commerce crept through the barriers that kept localities apart; it established a circulation of wares through a large area of the country; and it concentrated wealth in the cities which it built up."

Cunningham, *Western Civilization,* Vol. II, p. 161.

"In the north, east, and west the Teutonic Hanse made a veritable empire for itself and turned Germany towards sea trade. Formed in 1241 by the free association of a small number of trading cities of Low Germany, chief among which was Lübeck, the League a century and a half later included over a hundred, spread over four districts or "quarters," from the Sudetes to the Baltic, and from the Scheldt to the great lakes of Russia. This powerful federation, which had four capitals—Cologne, Brunswick, Lübeck and Dantzig—and which contained all the chief trading cities of the Low Countries, Germany, and Eastern Europe, notably Amsterdam, Bremen, Hamburg, Magdeburg, Stettin, Breslau, Königsburg, and Riga, was a real mercantile state. It had its diets and general assemblies which promulgated regulations and decrees *(recessen),* its taxes, its treasury, its tribunals, and even its armorial bearings. It carried on an active and sometimes arrogant diplomacy, concluded commercial treaties, and made its flag known and respected everywhere. It set up its factories in Russia, Scandinavia, Poland, and Flanders—veritable fortresses with garrisons as well as warehouses, inhabited by the members or by clerks (there were two or three thousand of them, for example, at Bergen), who were submitted to an iron discipline and animated by an intransigient sort of mercantile patriotism. Its merchant fleet, with admirably trained crews, was protected by a navy of warships, which secured the safety of the convoys and waged a merciless struggle against piracy."

Boissonnade, *Life and Work,* p. 291.

"The intolerable economic conditions resulting from the existence of thirty-nine states, each with its own customs system, had led in 1819 to arrangements between Prussia and the smaller states whose territories formed enclaves in her midst, whereby a common customs policy was adopted, and the southern states, finding themselves endangered between the Prussian union and Austria, also drew together. Then the groups sought to coalesce; there were difficulties owing to the particularism of the southern states and the claims of Prussia, and conflicting economic interests, but by January 1, 1834, there had been established a Zollverein or Customs Union, of seventeen states having a population of twenty-three millions, with a common tariff against all other states, whether foreign or German. The union was renewed in 1841 for twelve years, and by 1848 had received several new members." Ashley, *Europe from Waterloo to Saràjevo,* pp. 62-3.

§52. THE GROWTH OF TRADE

Cunningham notes four chief elements in the early development of modern trade.

1. The industry and exchange carried on in the monasteries.
2. The growing industry of the towns, many of which were attached to monasteries.
3. The development of sea-faring by the Norsemen and others.
4. The Crusades.

Cunningham, *Western Civilization,* Vol. II, Bk. IV, Chap. 3.

Most people had few comforts and lacked even the necessaries. "From the first century of the Crusades, many articles which we now consider among the necessities of life, chimneys, windows of glass, bedroom and table furniture, carpets, clocks, artificial lights, and other things of the sort began to make their appearance in the houses of the rich, commonly first in the cities, and were slowly adopted by the country nobles. The poorer people of the country remained in general without them, and with the insufficient diet of all classes, consisting chiefly of pork or salt meats, the coarse grains, with very few vegetables." Adams, *Civilization,* p. 280.

"The Crusaders having invaded the Holy Land by land, it was necessary for them to acquire the seaboard in order to keep open their communications with Europe. The fleets of the Italian cities aided them in so doing, not because of any pious sentiments, but in order to gain commercial advantages. To Venice, Genoa, Pisa, the Crusades seemed to be the "open door." They grasped the opportunity from the beginning and exacted liberal commercial rewards for the use of their fleets either as vessels of war, as in the assault on Tyre, or as transports from the West. Most effective aid was rendered by the fleets of the Italian cities. On April 25, 1101, Baldwin I concluded a treaty with the Genoese which assured them of the possession of a "quarter" and a third of the booty in every port town which they assisted in overcoming. Operations immediately began against the ports of the Syrian coast, which fell one after another—Arsuf and Caesarea in 1101, Apamae in 1106, Laodicea in 1109, Tyre in 1124. They had even made a partition of the land before the conquest. Genoa first aided Bohemond, then the king of Jerusalem, then took Tripoli and was given a "quarter" in Antioch, Jerusalem, and Tripoli. Pisa aided the king of Jerusalem and obtained a "quarter" in Jaffa. Venice assisted Jerusalem and Tripoli." (pp. 400-1.)

"It is manifest that by this time (1190-92) the Crusades had become profoundly modified. It was not upon Jerusalem but upon the port towns, so necessary to the Italian cities, that Christian attack was concentrated. The commercial interests and rivalries of Venice, Genoa, and Pisa had become paramount influences." (p. 413.)

Thompson, *Economic and Social History.*

"The issue of the Crusades proved that the Republic entered upon those enterprises in a purely commercial spirit. When Sidon fell, the Venetians received from Baldwin, King of Jerusalem, in return for their assistance, a market place, a district, a church, and the right to use their own weights and measures in that city. This was in fact the nucleus of a colony of merchants living under special treaty capitulations; and the privileges of the Sidon treaty we find repeated and extended when Acre, Tyre, and Ascalon were successively occupied."

Brown, *Venice. (Cambridge Modern History,* Vol. I, p. 254.)

"In all the ports the Italian cities received liberal concessions in full franchise and free from feudal obligations. These took the form of

a gift of a "quarter" which constituted an enclave of the mother-state in the Holy land, being independent of the royal jurisdiction. Each group had its own bailiffs, banlieux, warehouses, baths, churches, and used its own weights and measures. Some of these western merchant groups even touched local revenues. The Genoese, for example, collected a third of the harbour dues at Tyre, Acre, Laodicia and St. Simeon. The Massilians, in 1117 were given a quarter in Jerusalem, and later, in 1152, another in Tyre, in both of which they had the right to collect duties and excise taxes. The Italian merchant colonies were too loyal to their home states, too suspicious of the feudal nature of the government of the Kingdom of Jerusalem, and too thrifty to permit their rich revenues to be taxed. They demanded entire independence of the government and got it, for the Crusaders were far too dependent upon their fleets to refuse the exemptions. Thus came into being those *fondachi,* or independent foreign quarters in the ports of Syria and the Holy Land, whose modern imitation one may see in the foreign compounds of Peking and Shanghai."

Thompson, *Economic and Social History,* p. 402.

"The change in the general atmosphere of Europe which accompanied the crusades, the broadening of mind and the growth of common interests, favoured increased inter-communication and exchange, and, from the first crusade on, commerce increased with great rapidity, penetrated constantly into new regions, aided the growth of manufacturing industries, multiplied the articles with which it dealt, improved greatly its own machinery—the art of navigation, currency, forms of credit, maritime law, and mercantile organization—and exerted a profound influence upon every department of human activity." (p. 277.)

"From the East came the articles of luxury and show, which formed the bulk of medieval commerce, and returned enormous profits—spices, incense, perfumes, precious stones, carpets, hangings, and rich cloths. The Christian merchants of Europe could not purchase these goods direct from India, but only from the Mohammedan states of western Asia, which maintained relations with the farther East. These states could sell to India but few articles in exchange—horses, linen and manufactured metals, especially weapons—and large quantities of the precious metals had to be exported to settle the balance." (p. 278.)

"The North was the great source of food supplies and of raw materials for the increasing manufactures of the middle region—grain, wool, hides, tallow, salt meat and fish, flax, hemp, timber, furs and tin

and other metals. The North developed, from the thirteenth century on, a very extensive and diversified commerce of its own, with a more compact organization through the Hanseatic League than Italian commerce had, and reaching into Russia, and by degrees becoming bold enough to send its ships into the Mediterranean. Before the end of the Middle Ages there was also considerable manufacturing in some countries of the North." (p. 280.)

Adams, *Civilization.*

"The first in order of importance and of date were commercial enterprises. Commerce, which had hitherto been half confused with industry, now became distinct and took the lead. Then, by widening the markets, it caused a second concentration of capital of another sort and brought about the transformation of industry. Thus during this period, which might well be called the *mercantile* period, using the term in its original and wider sense, the word commerce served to describe all activity productive of wealth, and the first modern economic theories took the form of commercial theories.

"The predominant form of commerce from the sixteenth century onwards was foreign commerce, and the most distant form of foreign commerce, maritime trade, in which the consumer is at the greatest possible distance from the producer."

Renard & Weulersse, *Life and Work,* p. 348.

Land and sea trade routes, trade cities and centers are found in:
Shepherd, *Historical Atlas,* pp. 98-9; 103-5.

"The industrial workshops, working henceforward not merely for the local market, but also for regional and national, sometimes even for international markets, increased in activity. Industry felt the impulse given to it by commerce, which provided it with capital, raw material, orders, and outlets, and which stimulated both the spirit of enterprise and the division of labour."

Boissonnade, *Life and Work,* p. 177.

"In France and Germany commerce centered about the fairs which were held at fixed seasons. In the great fairs wholesale trade was carried on, the merchants from the smaller places meeting there the importers who had the goods of the East, and so obtaining their supplies. In the fairs of the smaller places retail trading was done; but a very large part of the retail trade of the interior was carried

on by peddlers, who went about from village to village, carrying packs themselves or sometimes with horses."

Adams, *Civilization*, p. 279.

Medieval towns were small.

"Though the town comprised practically all the mercantile and manufacturing population of a country . . . the town was a very small affair . . . In England in the thirteenth and fourteenth centuries the average size of the first class of towns was probably below 5,000 inhabitants; few had more than 10,000 and many had less than 1,000. On the Continent, in the last centuries of the Middle Ages, even celebrated cities like Nuremberg and Strassburg had not over 20,000 inhabitants. Frankfort on the Main had scarcely 10,000."

Day, *History of Commerce*, p. 45.

"The first effect of the resurrection and development of commerce and industry was to bring about a renaissance of town life. From the middle of the tenth to the fourteenth century this movement became extraordinarily widespread, and it was then that almost all the towns of Christian Europe were created or reborn . . . Germany possessed as many as 3,000, although the majority of them remained no more than fortified villages or *burgs*; England possessed 275. The reappearance and extension of this urban life, which had been so shattered during the early Middle Ages, was closely connected with the formation and progress of the industrial and commercial classes."

Boissonnade, *Life and Work*, p. 191.

"London, at the beginning of the fifteenth century, would appear to have had a population of about 40,000. No other English city had half that number. York and Bristol had each some 12,000; Plymouth and Coventry some 9,000; Norwich, Lincoln, Salisbury, Lynn, and Colchester, between 5,000 and 7,000; while most of the other historic towns had only from 1,500 to 5,000 inhabitants."

Ashley, *Introduction to English Economy*, Vol. II, p. 11.

"Between 1000 and 1200 A.D. the development of German minerals and the consequent industrial prosperity of all northwestern Europe, propelled the seat of commercial exchanges toward the English Channel; and when the market thus shifted, all civilization readjusted itself to conform to the change."

Adams, *The New Empire*, p. 64.

"Now began the fortune of the German mining towns, Freiberg, Annaberg and Goslar, where the art of mining was perfected. Beds of metallic minerals were sought out and exploited. Iron-mines were worked in the Harz, Westphalia and Styria in Germany, Sussex in England, Namurois in the Low Countries, Haute-Champagne, Normandy, Dauphiné, Berry, Haut-Poitou, Périgord in France, Biscay in Spain, Bergamo, Calabria, and Sicily, and above all, the Isle of Elba in Italy, where the first mining companies appeared." (p. 184.)

"Although metallurgy had not advanced far in the treatment of minerals and metals, for which it could only make use of vegetable fuel, a primitive furnace, a small hammer, or manual labour, nevertheless, under the stimulus of necessity production had advanced by leaps and bounds. Little forges multiplied in all districts which combined the three elements necessary to their activity—wood, minerals, and waterfalls. Sometimes these workshops even worked for export. Manufactories of helmets, cuirasses, shields, swords, and other arms prospered in Italy at Milan, Pavia, Venice, Lucca, Florence, and Naples; in Spain at Toledo, Valencia, and Saragossa; in France in Guienne, Périgord, Poitou, Dauphiné, Languedoc, and Lyonnais; in Germany in Franconia, Saxony, Styria, and Carinthia. Barcelona, Vich, Lerida, Gerona, and, above all, Biscay, possessed many iron works, and so also did the Alpine districts of Italy, France, and Germany, the French provinces of the east and the centre, the Meuse country and Central Germany. The foundries of Lorraine won a growing renown." (p. 185.)

"Up to the eleventh century credit had existed in primitive forms, which were only suited to a system of natural economy, in which there was neither active production for the market nor a widespread trade. Nothing was then known but loans for use or consumption, made in order to meet the elementary needs of existence—that is to say, loans in kind, and loans on the security of a pledge." (pp. 165-6.)

Boissonnade, *Life and Work.*

"First came the mere bank of deposit, thence emerged the function of loan money. And, as the prejudice against interest or usury gave way before the insistent demands of business and politics, that branch of economic activity passed from the hands of Jews, who had monopolized its profits as long as the church had frowned upon the practice. Money was recognized as a commodity, like wood or steel, and it became legitimate to make a profit on its use.

"Thence, following the practice of the Florentines who made that

city the financial center of Europe for so many years, Venice and Genoa established banks, backed by their merchants, which became virtually the masters of the state; and these became the prototypes for all Europe."

Abbott, *The Expansion of Europe*, Vol. I, pp. 261-2.

"Antwerp presented in the sixteenth century the first case of a great bourse or exchange, that is, a place in which men meet daily and effect their exchanges without displaying and transferring the wares themselves, by the use of paper securities representing the wares. Such an institution cannot exist until the volume of trade is large enough to cause a steady and continuous flow of wares, in contrast to the spurts that marked the period of the fairs." (pp. 154-5.) It is necessary, moreover, that the wares be graded and sold from samples. The principal ware at Antwerp was loanable capital. Loanable capital from all over Europe was collected at Antwerp and Lyons. "A French king could and did borrow money of a Turkish pasha." (p. 155.)

"Shares of trading and industrial companies and of public debts became the objects of a regular commerce, which was not confined by national boundaries, but which drew capital from all sources." (p. 156.) Then follow instances in which the British borrowed in Amsterdam and the Germans in London.

Antwerp in the sixteenth century—at a time when Europe was still ruinously subdivided in its political life—was "the one great gathering place for the Portuguese, Spanish, English and German merchants. It is said that over five hundred vessels sailed in or out of the port in one day, and that the English merchants alone employed over 20,000 persons in the city." It was a truly cosmopolitan place. (pp. 154-5.)

Day, *History of Commerce.*

"The trading cities of the North, the most active of which was Lübeck, organized their great association, known as the Hanse, in the thirteenth century (1241). They aimed at monopolizing the two seas recently opened to trade by the Christian peoples, the North Sea and the Baltic, by way of which the West provided itself with fish and, above all, with raw materials—timber, tar, ashes, tallow, skins, leather, and furs—in exchange for the produce of the Levant and the merchandise of the South and West of Europe."

Boissonnade, *Life and Work*, pp. 176-7.

"The employment of capital and labour on such a large scale served to build up huge fortunes comparable to those of the great merchants, and hardly surpassed even by those of the financiers. The employment of rural labour in particular assured great profits to the manufacturers of Rouen, Lille and Lyons. Towards the middle of the eighteenth century it was stated that 'the fifty chief manufacturers of Paris and Lyons were worth several millions of francs.' The succeeding generations of this industrial aristocracy grew in wealth; The Van Robais and the Montgolfiers were surpassed by the Perriers, the Réveillons and the Oberkampfs."

Renard & Weulersse, *Life and Work*, p. 190.

§53. TRADING CITIES AND THE BURGHER CLASS

"During the first two centuries of the feudal age, a movable or money economy, which has its source in commerce, possessed only an infinitesimal importance. The rôle of money was very small, and it was the land and its produce which constituted wealth. Economic life had become, as it were, stationary in this purely agricultural society, enclosed in the rigid framework of the landed aristocracy. Feudal government was designed rather to hamper than to assist commercial activity." (p. 159.)

"The feudal system, which allowed the trader and the manufacturer neither property, nor civil and commercial liberty, nor even personal freedom, strangled labour in such tight bands that its vitality could not develop. The system, by its fiscal regulations, its tyranny, and its anarchy, impeded the development of trade and the activity of the workshops. It did not even maintain order and security, conditions which are indispensable to economic progress." (p. 192.)

"Nevertheless, a commercial class was timidly being formed. Migratory commerce, peddling, developed side by side with the sedentary local or regional commerce. The germs of international trade appeared with the traffic in articles of luxury, which was set on foot between the West on the one hand and Byzantium and the Arabs on the other, and in which the immensity of the gains compensated for the greatness of the risks." (p. 108.)

"The commercial and industrial classes had united to conquer their freedom; now after the victory they began definitely to organize themselves. While, on the one hand, their associations became legal organisms, on the other, the elements of which they were composed fell into distinct groups, according to their natural affinities. The richest among them formed a veritable aristocracy, a patriciate, while on their side the masses formed a vast democracy of free crafts and sworn corporations." (p. 205.)

Boissonnade, *Life and Work.*

"A new class was growing up, which was henceforth to be both socially and politically important. It was formed of men who were engaged in overseas trade, of heads of great private businesses, or shareholders in chartered companies, wealthy shipowners, rich merchants of London or Bristol, bankers and financiers." (p. 70.)

"Within the ruling aristocracy a constant struggle was going on between the landed and agricultural magnates and the commercial and industrial magnates, between 'green' England and 'black' England. The latter increased in power, and in the middle of the eighteenth century was becoming supreme." (p. 71.)

Renard & Weulersse, *Life and Work.*

The profits in trade—particularly in new trade—were very large. "The profits of Spanish merchants in the American trade are said to have been 300 or 400 per cent." See Beer, *Geschichte des Welthandels,* Vol. II, p. 147; Cunningham, *Western Civilization,* Vol. II, p. 178.

"The trade continued, however, extremely profitable. The Portuguese are said to have sold their spices at the time of their supremacy at a profit of at least 600 per cent. At the beginning of the seventeenth century the profits of a successful voyage often reached 200 per cent. These high profits, however, had to make good many losses. The average annual dividend, declared by the Dutch East India Company, from 1605 to 1720, was 22 per cent on a capital stock partly water."

Adams, *Civilization,* p. 284.

"It was not uncommon for promoters of trading expeditions to gather in profits running from 100 to 400 per cent; indeed some of the early voyages to India netted 1,200 per cent. In a single year, 1622, a consignment of goods bought in India for £386,000 sold in England for £1,915,000."

Beard, *Rise of American Civilization,* Vol. I, p. 20.

"From the thirteenth century interest in the leading commercial countries, such as Italy and South Germany, fell as low as 10, 12, and 17 per cent for commercial undertakings, while in others, such as England and sometimes even France, it rose to 15, 20, 25, 43, 50, and as high as 80 per cent."

Boissonnade, *Life and Work*, p. 166.

"Or, ces cas d'insolvabilité étaient très fréquents, en raison du taux extrêment élevé d'intérêt, qui souvent, se payait par semaine. Le taux ordinaire du Moyen âge semble avoir été de 20% environ. En 1270, ce chiffre était légal à Modène. En général, on tolérait même un intérêt de 25%. A la fin du XIIIe siècle, dans le nord de la France, on alla jusqu'a payer deux deniers d'intérêt par livre et par semaine, soit 43% par an. En 1430, à Florence, les principaux marchands appelèrent dans leur ville les banquiers juifs, à la condition qu'ils s'engageraient à ne pas prélever plus de 20% d'intérêt."

Letourneau, *L'evolution du Commerce*, p. 485.

"Thus was determined for a century and a half the greatest single trading operation of the world. It was but slowly extended to the other parts of Spanish America. For many years direct trade even with Buenos Ayres was prohibited, and when it was finally established, so rigid was the Spanish system, it was restricted, like that of the Philippines to a single ship a year, the value of whose cargo was itself prescribed!

"It was not enough, in Spanish eyes, to limit colonial trade to a few ports and to a single fleet. For the most part, all business was confined to a few trading houses of Seville, Lima and Mexico, which were soon formed into close corporations, prototypes of those great companies which, in other hands and under different conditions, were soon to form the aggressive force of rival powers."

Abbott, *The Expansion of Europe*, Vol. I, p. 321.

The Dutch held a monopoly on the spice trade, and "they endeavoured, as monopolists usually do, to carry on a limited trade with a very large profit. . . . They began to destroy the clove trees everywhere, except in Amboyna, the seat of their power. Furthermore, they bribed the surrounding princes by annual subsidies into acting likewise, and these set about to destroy the property of their own subjects in the interests of the Dutch. This plan was begun about the year 1631, and was steadfastly pursued during more than a century.

Dutch squadrons yearly visited the Spice Islands, to suppress the growth of cloves, which in their native countries spring up in the greatest luxuriance, and in consequence of this policy—a policy which was carried on with much iniquity and bloodshed—the spice country was converted into a petty farm, to the detriment of the natives and to that of the European consumers. . . .

"The same system was followed with regard to the production of nutmegs, and of all those spices which were peculiar to the Moluccas."

Barker, *Rise and Decline*, pp. 200-1.

"Henry VII granted official protection to the Merchant Adventurers. The reign of Elizabeth began the era of monopolist companies, institutions which had the threefold advantage of regulating trade, facilitating the collection of Customs dues, and reducing the risk entailed in distant expeditions. The East India Company, at its foundation in 1599, obtained a monopoly for fifteen years, which in 1609 was made perpetual, and a century later, in 1708, became absolute. The Muscovy Company and the Eastland Company, founded in the same reign, were also granted monopolies, as were the later companies established under the Stuarts, such as those formed to trade with Guinea, the Levant, Hudson Bay and the South Seas."

Renard & Weulersse, *Life and Work*, p. 61.

Mercantilism as state policy "is illustrated by the policy of Frederick the Great in Prussia, Colbert in France, and Cromwell in England. Its adoption, it was held, would unify the nation within and protect it from rivals without. It expressed itself in harsh navigation laws, high tariffs, prohibitions, trade restrictions, and commercial war. Each of the states struggling for supremacy during those centuries employed such means to advance and strengthen its position. Portugal made foreign trading a state monopoly. Spain controlled commerce with her colonies and forced trade to move in definitely restricted channels. The Netherlands carried on the trade struggle through trading companies with monopolistic and almost sovereign rights. The French and the British used navigation laws and the entire category of discriminations and preferences which characterized the commercial policies of the time."

Culbertson, *International Economic Policies*, p. 2.

"The movement began in the eleventh century in those Western countries in which the renaissance of commerce allowed the merchant

classes to realize their power and gave them the will to break their bonds. The merchant particiate, upheld by the mass of small traders and artisans, leaning now upon the Papacy and clergy, now upon the smaller nobility, profited by the divisions of the feudal classes and played off each against the other. At Venice from 976 they broke the monarchical power of the Doge; at Milan (in four revolutions between 987 and 1067) that of the archbishop; at Piacenza (1090), at Lodi (1095) at Cremona (1095), at Viacenza, Bologna, Pavia, Lucca, Genoa, that of the feudal nobility. In Provence and Languedoc, knights and merchants led the assault against the seigniorial power. At Marseilles the merchant fraternity of the Holy Spirit roused the sailors' quarter and proclaimed a consulate and municipal autonomy. Le Mans (1069) Noyen (1027) Corbie, Amiens (1030) revolted to gain freedom of trade. At Beauvais (1074-1099) it was the dyers who waged war against the bishop. At Cambrai (1057-1076) and at Cologne the rich merchants engaged in a desperate struggle with the archbishop. In this initial phase the majority of syndicalist revolutions (as we may call them) collapsed, but a few succeeded." (pp. 193-4.)

"But in a large number of places violence was the midwife of liberty and of the new society of communes. In Lombardy and Tuscany, the bourgeoisie and the people, with the bold merchants of Milan at their head, won their independence only at the cost of sanguinary struggles with the great nobles and the imperial power. It was by repeated risings that the working people of Languedoc and Provence, the towns of Arles, Marseilles, Nîmes, Carcassonne, Avignon, Béziers, Montpellier and Toulouse succeeded in shaking off the feudal yoke. On the initiative of French and Italian merchants in Spain, at Compostella (1103-1136) Lugo, Orvieto, Sahagun, the people rose against ecclesiastical authority. In the twelfth century a wind of revolution blew upon almost all the towns of the West. In 1134 Poitiers, at that time an industrial and commercial town, tried to form an urban federation after the Italian model, in conjunction with the cities of Poitou. Cambrai, in 1127, Compiègne in 1128, Amiens in 1113 and 1177, Orleans and Mantes in 1137, Vézelay and Sens in 1146, Rheims in 1144, and in the north and east the Flemish and Rhenish towns—Ghent, Tournai, Liège, Speier, Worms, Cologne, Mainz, Treier —sought to safeguard their economic future by rising in insurrection against the arbitrary power of lord or monarch. London itself tried to proclaim a commune in 1141. The revolution sometimes assumed the implacable and tragic aspect of a class war." (p. 195.)

"Henceforth the capitalist bourgeoisie, few in numbers and all

powerful in wealth, was organized and grew. At Basle out of 30,000 inhabitants these capitalists formed only 4 per cent of the population, and at Venice, the richest city of the West, they were a mere 2,000 patricians, each of whom owned an income ranging from 200,000 to 500,000 francs. But they held in their hands the greater part of the wealth of their towns; at Freiburg, for instance, thirty-seven burgesses had possessed themselves of 50 per cent of the movable and immovable capital of the city, so that over a third of the inhabitants were without possessions. The bourgeois capitalists were able to equal and, indeed, to surpass the magnates of the landed aristocracy." (p. 299.)

Sources of wealth of the bourgeoisie whose wealth now exceeded that of the landlords:

"They accumulated land rents; they got into their hands the greater part of the urban house property, which, in Venice, in 1420, represented a capital of nearly 100 million francs; they bought lordships and lands in the country. But it was, above all, banking, commercial, and industrial enterprises which enriched them. Through their associations they were the masters of credit and of money, and they even began to tap the savings of private individuals on the pretext of increasing them. They monopolized the great international commerce, the trade in foodstuffs and in luxuries, corn, fish, wine, cattle, and spices. They speculated in the raw materials necessary to industry and in manufactured goods, in lard, potash, tar, wood, hides, skins, furs, cotton, silks, wool, as well as in woolen and silken fabrics, fustians, coverlets, mercery, and soap. They undertook the exploitation of mines, set up metallurgical and textile manufactures, and everywhere the capital which they engaged bore fruit." (p. 300.) Boissonnade, *Life and Work.*

§54. NEW FORMS OF EXPLOITATION; MASS REVOLT

"Little by little, in spite of the suspicion and resistance of the sovereign power, whether king, church, feudal lord or bourgeois patriciate, the mass of the people began to organize other groups, sworn corporations, which were joined by the most powerful or active minorities. These exercised a political, economic, and social activity which was far more profound than that of the free crafts. Their num-

ber grew in proportion as the labour of the masses became the preponderant element in the prosperity of the towns." (p. 211.)

"In the Low Countries especially the movement assumed an extraordinary intensity. The *"povre peuple,"* the democracy of the crafts, or *klauwaerts,* as they were called, employed all sorts of methods, coalitions, strikes or *takehans,* insurrections, alliances with the great feudal nobility, the counts of Flanders and Hainault, in order to break down the despotic power of the gilds or *Leliaerts,* who relied upon the support of the King of France. At Liège (1253) the crafts rose against the power of the provosts and the bishop. At Dinant (1255) the copper workers, and at Huy (1299) the weavers were at grips with the gilds of merchant entrepreneurs. At Tournai (1281) and all over Hainault (1292) the weavers and other artisans were struggling against the patricians. From 1275 Flanders was in open revolution. . . . The revolution was successful in winning its legitimate demands. In the Low Countries the monopoly of the patriciate was abolished; the crafts secured the admission of their delegates and leaders into the councils and magistracies. They suppressed the abusive privileges of the gilds and decreed freedom of trade. They obtained full powers of economic administration. They were allowed to exercise rights of jurisdiction over their members and wage labour was emancipated." (pp. 217-8.)

Boissonnade, *Life and Work.*

"The history of England at the time discussed in these pages reads like a history of civil war. This is the impression produced by the speeches and the policy of Ministers, the letters and the conduct of magistrates, the records of the Courts of Justice, the system on which our military forces were organized and the purposes they were designed to serve. Critics and partisans of the established order alike take this war for granted." Hammond, *The Skilled Labourer,* p. 1.

"Some of the workers in the small industry, in spite of the journeymen's organizations, had to resign themselves to living in a perpetual state of subordination under the rule of the masters, and to accept the rates of wages which were often imposed upon them by the gild or municipal regulations. These men went to swell the ranks of the urban proletariat, the chief element in which was, however, formed by the hired wage-earners of the great industry.

"The latter, more numerous now than in the preceding era, were more than ever subject to the domination of great entrepreneurs, who distributed orders to them at will, bought the produce of their labour,

paid them famine wages, obliged them to take part of their payment in truck at arbitrarily fixed prices, kept them in dependence by means of an ingenious system of advances, which lured them into debt, and exposed them to crises of over-production and unemployment. Hence these proletarians lived in a permanent state of discomfort and discontent, which found vent in strikes or unions, accompanied by boycotts, when it was found impossible to settle them by arbitration or to suppress them by force. Hence also attempts at risings and revolutions which more than once brought trouble and bloodshed into the towns." Boissonnade, *Life and Work*, p. 306.

"Thus there already existed, especially in the industrial world, what may justly be called a proletariat. It was to a certain extent conscious of its separate existence and of its own interests, which were often opposed to those of its employers, but this consciousness was incomplete and varied from time to time. In the sixteenth century conflicts between masters and men were purely local, affecting only a small number of workers and rousing no echo in the rest of the country. But already in the following century large bodies of workmen were concentrated round the big manufactures." (p. 356.)

"The fate of this city proletariat became precarious, especially after 1550, when the price of food rose sharply without a proportionate rise in wages. Then for the first time was seen the width of the gulf which was henceforth to separate the mob of workmen, who had no resource but their wages, from the rich manufacturers, who lived like lords in a brilliant luxury." (p. 46.)

"From the middle of the seventeenth century journeymen seemed to feel that they were the disinherited class, while the masters saw in them their future enemies. About 1681 the struggle between the masters and the linen weavers of Normandy became so acute that about 4,500 of the latter, all good Catholics, emigrated to England." (p. 201.)

"Although the policy of the government towards the wage-earners, considered as an unfortunate and defenceless class of subjects was to a certain extent protective, it showed nothing but harshness towards the workers where they were half organized and beginning to assert their rights with violence. . . . The prohibition of all fraternities, assemblies and coalitions of craftsmen was renewed in 1572.

"In strikes the attitude of the government was invariably hostile to the workmen. The judgment given by the Seneschal of Lyons in 1539 was against the striking printers on all essential points. Under pain of fine and banishment they were not to strike again, nor could more

than five of them meet together at one time, and no work once begun must be interrupted." (pp. 202-3.)

"But on the whole the agricultural proletariat led a miserable existence. Their usual food was 'bread made of rye with the bran left in, black and heavy as lead. Even the children ate this bread, so that a girl four years old had a stomach as big as a pregnant woman's.' Often they were reduced to bread made of acorns and roots. Moreover, they were periodically decimated by famines. 'The winter of 1663-1664, for example, was terrible. A missionary who passed through Maine, Touraine and Blésois reported that in one village of 200 people, 180 of them had no bread. Another counted in the town of Châteauroux alone nearly 200 orphans whose parents had died of hunger. In Beauce the poorest farmers had abandoned everything, and all their servants had become beggars. You might see hordes of poor people along the hedges and thickets gathering wild fruits for food. There was no refuge for them but death.' In the latter part of the reign these horrors became more frequent." (pp. 245-6.)

Revolts, riots, plundering, mobbing, occurred frequently in France during the latter part of the eighteenth century.

"Thus was developed among the working classes that habit of insubordination which showed itself on every disturbance of the social order. At the time of Law's system the workmen took advantage of the confusion caused in prices by the issue of notes and by the edicts which changed the intrinsic value of the livre, to plot together to leave their masters or force them to pay extraordinary wages. The famous edict of 1744 provoked a regular rising at Lyons. United with the master-craftsmen, the journeymen forced the municipality to capitulate, and it was several months before the wealthy bourgeoisie, backed by all the power of the crown, succeeded in again obtaining control over the town. But then the rising was ruthlessly crushed; one workman was executed and two others sent to the galleys for life." (pp. 204-5.)

Renard & Weulersse, *Life and Work.*

"Indeed, these classes were sometimes not content with claiming equality and justice in the communal administration, but more than once cherished a dream of syndicalist government, class domination, a dictatorship of the proletariat exercised in their favour and at the expense of other social grades. Hence the bitter, violent, tragic aspect of most of these urban revolutions, some of which were, indeed, no more than blind explosions of popular hatred or misery." (p. 309.)

Boissonnade treats of successive urban revolutions, among which was that led by a rich draper, Etienne Marcel at Paris in 1356-58.

"Twenty-two years later 1379-82, from Languedoc to Picardy, from Montpellier, Carcassonne, and Béziers to Orleans, Sens, Châlons, Troyes, Compiègne, Soissons, Laon, Rouen, Amiens, Saint Quentin, and Tournai, a whirlwind of revolution, with Paris as its centre, once more hurled the urban classes, weary of royal fiscal and administrative despotism, against the central power. The movement collapsed; the political privileges of the craft gilds were attacked and in some places, as at Amiens, they were dismissed from the chief municipal offices. At Béziers forty working weavers and cordwainers were hanged, and at Paris and Rouen the crafts were severely treated." (p. 314.)

Boissonnade, *Life and Work.*

One phase of the class struggle in Great Britain is described by Hammond, *The Town Labourer, 1760-1832,* Chapter VII: *The War on Trade Unions.*

Big Industry was organized in Italy, Brabant, and Flanders:

"Its organs were not yet the factory and the works. The merchant entrepreneurs contented themselves with setting up offices in their houses, served by a limited number of clerks, serving-men and messengers, together with a warehouse for raw materials and finished goods. Nevertheless, in this elementary form of the great industry the separation between capital and labour was already manifest. The merchant entrepreneur was the sole owner of the materials, sometimes he provided the tools, always he disposed of the orders. He was the sole buyer and the sole seller of manufactured goods. The work-people—spinners, combers, carders, weavers, fullers, dyers—were no more than instruments of production in the hands of the capitalists, who paid them, directed them, hastened, slowed down, or stopped the work at will." Boissonnade, *Life and Work,* pp. 183-4.

§56. OUTSIDE INTERESTS OF THE BUSINESS CLASS

During the eleventh and twelfth centuries, small industry opened the way for the great industry of modern times which was beginning to

announce itself "from the thirteenth century onwards, in a few special industries and in districts such as the Low Countries, Italy, and Northern France, where a great international commerce had developed. It was here that there arose the first enterprises working for a universal market, such as the cloth manufactures of Ghent, Ypres, Lille, Douai, Amiens, and Florence, the silkworks of Venice, and the copperworks of Dinant. Rich entrepreneurs and even powerful corporations, undertook their direction."

Boissonnade, *Life and Work*, pp. 182-3.

"Trade with England and Flanders by means of the Flanders galleys was developed. Venetian merchants brought sugar from the Levant, and exchanged it for wool in London. The wool was sold in Flanders, and cloth bought, which was placed on the markets of Italy and Dalmatia, as the ships sailed east again to procure fresh cargoes for the London market." (p. 257.)

"Venice, however, required an outlet for her commodities; and this led at first to the establishment of factories in the districts of Belluno and Treviso, along the banks of the Piave and on one of the high-roads into the heart of Europe (991), and subsequently at Ferrara (1100), and again at Fano (1130).

"But these factories did not, strictly speaking, constitute territorial possessions. They were merely colonies of Venetian merchants living in foreign cities under special treaty rights which conferred extra-territoriality on the Venetian quarter." (p. 260.)

Brown, *Venice, (Cambridge Modern History*, Vol. I.)

"America sent to Spain in the course of two centuries gold and silver to the value of more than £1,200,000,000. In 1545 the incredibly rich mines of Potosi in Bolivia and in 1548 those of Zacatecas in Mexico were discovered." (p. 72.)

"By trading and by preying on the possessions and the trade of Spain and Portugal, the progress and the power of the East India Company became so great that, within the first six years of its existence, its capital increased in value from six millions to more than thirty millions, and notwithstanding its very conservative policy the company was able to distribute enormous dividends to the shareholders. In the first year of its existence the company distributed 75 per cent to the proprietors, and distributions of 40, 50 and more per cent per annum were common. The Dutch East India Company was at the same time an important economic factor and a great

military force. Towards the end of 1609 the company possessed about fifty well-armed vessels, and was able to place 30,000 soldiers in the field." (p. 138.)

"They succeeded for a short time in obtaining the monopoly of the pepper trade, and they immediately raised the price of pepper by about 100 per cent to eight shillings a pound. In fact, it has been asserted that the Dutch in the course of a few years made a profit of not less than 3,000 per cent on this single article." (p. 201.)

Barker, *Rise and Decline.*

Chartered companies have practically disappeared, but during the seventeenth and eighteenth centuries they were the most active forces in empire building. They received grants of territory; developed trade; made capital improvements; built and maintained large military forces; fought wars, and carried on the other incidental activities that accompany conquest and exploitation. At this period of modern imperial history the trading interests were engaged directly in both conquest and exploitation. They were the leaders in empire building.

Cheyney, *European Background of American History,* Chap. vii: *The System of Chartered Commercial Companies,* gives a list of English companies.

"The greatness of Venice was founded upon trade. The city of the lagoons, born in the fifth century, but dating her rise to fortune from the conquest of the Adriatic (1002) and the charter of privileges of 1082, which granted her free trade for a century in the Byzantine states, won for herself in 1204 a vast colonial empire in the Archipelago, seized the keys of the Dardanelles and the Bosphorus, and tried to get into her hands not only the commerce of the Levant, but also that of the Black Sea and the Sea of Azov, where she founded a counting-house at Tana, and sought to open up fruitful relations with the Far East by sending out missions of commercial exploration, the most famous of which was that of Marco Polo."

Boissonnade, *Life and Work,* p. 175.

The Portuguese, by reaching India, had broken the Arab trade monopoly.

"They had invaded Arab commercial monopoly and taken Mohammedanism in the rear. But Arab-Mohammedan supremacy which, in the centuries since it had overwhelmed north Africa and Spain, had spread its power throughout northern and western India was not prepared to yield its trade monopoly without a blow. Arab merchants

had dotted Indian coasts with their agents, filled its harbours with ships, covered its seas with their convoys. With them had gone their faith, till, from Malacca to Alexandria, they had become the dominant commercial power, and, through centuries of active enterprise, Malabar had grown to be the centre of their trading empire."

Abbott, *Expansion of Europe,* Vol. I, p. 104.

§57. CONQUEST; PLUNDER; ANNEXATION; EXPLOITATION

"The story of the Fourth Crusade is the story of the way in which the Republic accomplished its aims.

"Zara was recovered, and on the fall of Constantinople, in 1204, the Republic reaped material advantages of a preponderating kind. Her portion of the booty gave her solid riches, with which she bought the rights of Boniface over Crete and Salonika, and obtained leave for Venetian citizens to occupy as fiefs of the Empire any Aegean islands not already owned by the Republic. In this way she became possessed of the Cyclades and Sporades, and held the seaports of Thessaly and the island of Crete. Zara and other Dalmatian towns now became hers both by conquest and by title; and thus the Republic acquired an unbroken line of communication from Venice down the Adriatic to Constantinople and round to the seaports of the Syrian coast."

Brown, *Venice. (Cambridge Modern History,* Vol. I, p. 255.)

"It may be immoral, in fact it is immoral, but in international affairs might is right. The Spaniards were to find out that the right of discovery and of first occupation is good, but that the right of the stronger is better. By the right of the stronger, called in diplomatic language 'first occupation,' the Spanish had robbed the natives of their land and of their wealth. By the right of the stronger the Dutch took these lands from the Spanish and enjoyed them until, by the right of the stronger, England took them from the Dutch."

Barker, *Rise and Decline,* p. 75.

"As the American silver trade grew in value, the onslaught waxed hotter. In 1572 Drake sailed on his famous voyage to Panama, where he surprised, on the isthmus, a mule train loaded with silver. The silver he buried, as of inferior value, but freighted his ships with gold and jewels. What he realized, no one ever knew. And Drake was only one of scores who sucked the Spaniard's blood." (p. 109.)

"A mixed fleet of privateers, sailing under commissions issued by the Prince of Orange, used Dover as a base, and there, on certain market days, these Dutch, French, and English rovers sold Spanish gentlemen at auction for their ransom. They brought about 100 pounds a head. The Spanish merchants set their damages at upwards of 3,000,000 ducats, and finally declined to contract to supply the army, but aside from this, tons of bullion fell into English hands. In 1568 Philip's credit was bad; nevertheless, he succeeded in obtaining 450,000 ducats in Genoa, which he despatched to Alva to pay his troops. French privateers chased the ships bearing the treasure into south of England ports where Elizabeth appropriated it." (p. 108.)

Adams, *The New Empire.*

"While the largest trade of the Dutch was that carried on with the countries of Europe, by far the most profitable branch of their commerce was the Indian trade which they had conquered from Spain and Portugal. The Dutch East India Company became, by the conquest of the Spanish-Portuguese colonies, by maritime warfare, by privateering and by legitimate trade, so prosperous and powerful that it maintained larger fleets and armies than did many a large State. Its store of war material was enormous. It possessed more than 4,000 bronze and iron cannons. Many of the warlike expeditions which the East India Company undertook were most profitable. For instance, in 1617, Spilbergen arrived in Zeeland with two ships in which he brought captured merchandise to the value of 22 tons of gold. In those days the Dutch used to express large figures in tons of gold."

Barker, *Rise and Decline,* p. 200.

For maps showing the Europeanized world at the middle and at the close of the seventeenth century see Abbott's *Expansion of Europe,* Vol. II, pp. 3 and 120.

"The growth of Venetian maritime empire in the Levant and supremacy in the Mediterranean falls into four well-defined periods. The Venetians began by moving slowly down the Dalmatian coast and establishing their power in the Adriatic; they then pushed out east-

ward and acquired rights in Syrian seaports, such as Sidon, Tyre, Acre; they seized many of the islands in the archipelago as their share of the plunder after the Fourth Crusade, finally they met, fought, and defeated their only serious maritime rivals the Genoese."

Brown, *Venice. (Cambridge Modern History,* Vol. I, p. 253.)

§59. COLONIAL TRADING EMPIRES

For area and development of the colonial trading empires see:

Shepherd, *Historical Atlas,* pp. 128 b-c.

§60. EXPANSION AND CONFLICT

"From the twelfth to the fifteenth century, the Italian cities monopolized the trade routes linking the eastern Mediterranean with Asiatic countries whence came spices, gems, drugs, and many other luxuries desired by noblemen and burger. This commercial expansion into the Near East was the prelude to, and the economic reason for, the epochal fifteenth century European voyages of discovery."

Moon, *Imperialism,* p. 9.

"The 'big three'—Venice, Genoa, Pisa—were not all equally represented in the ports of Syria and Palestine, but all had 'quarters' in the most important seaports, as Tyre and Acre, the latter being the most important of all. Venetian commercial activity was greater in the Aegean, Constantinople and the ports of Asia Minor than in the Orient; in Syria and the Holy Land, Genoa ranked first, Pisa second, and Amalfi third until Marseilles surpassed her."

Thompson, *Economic and Social History,* p. 404.

"The Western States organized the first navies in order to protect commerce. Venice, Pisa, and Genoa owned the most powerful of these, and in 1293 the latter had 200 ships manned by 25,000 sailors. The Catalans were creating their navy in the thirteenth century at the same time as the Capetians, and France possessed at one time 118 and later 200 vessels with 20,000 sailors."

Boissonnade, *Life and Work*, p. 174.

As the Turks advanced northward, they cut one trade route after another. In the fifteenth century they cut the Black Sea Route and deprived Genoa of her line to the East.

"On the eve of the great discoveries of the end of the fifteenth century almost the only secure and profitable line of connection with India was through Egypt." Adams, *Civilization*, p. 278.

After Spain and Portugal had broken out of Europe:

"For the problem which lay before those states which had burst through the charmed circle that had so long separated Europe from the world outside was, in a sense, the future of the extra-European world. Already it had taken on a two-fold aspect which it was to keep to the end. On the one hand was the task of maintaining and improving the position they had won; on the other was the extension of their ancient rivalry to the farthest corners of the earth." (p. 148.)

By 1506 Portugal was secure in India. Francisco Almeida was sent out as Viceroy of India.

"A fleet was sent out to remain in permanence, and plans were formed to seize the keys of navigation; Aden to control the Red Sea; Ormuz to command the Persian Gulf; Malacca to secure the Straits and the way to the Spice Islands and farther Asia; and a capital on Malabar." (p. 156.) Abbott, *Expansion of Europe*, Vol. I.

"When the eastern trade moved to the Atlantic, the effect was to transfer the competition which theretofore had gone on between river systems, into a struggle between Spain, England, and France, who alone had ports which could be utilized as centres of exchanges for ocean traffic." Adams, *The New Empire*, p. 87.

"In the sixteenth century the goods which England sent to Antwerp, to Bruges or to Hamburg were coarse or half finished; but soon her cloth was sufficiently fine and famous not only to invade the reserved market of Portugal, but even to compete with French cloth in the

Levantine markets. Thus the cloth industry became one of the chief sources of national wealth, and even occasionally received assistance at the expense of the interests of the landed classes." (p. 59.)

"Commercial rivalry between nations, even when it did not cause war, provoked cruel defensive measures. At Venice in the middle of the sixteenth century 'any artisan who took a useful industry out of the country was stabbed,' and Florence also decreed death to anyone who revealed the secrets of her industries to the foreigner. In Holland anyone who communicated the charts drawn up by her sea-captains to another nation was executed. Until 1825 English artisans were officially forbidden to leave the country; and the emperor-philosopher Joseph II had all smuggled goods burnt by the public executioner. By the Treaty of Westphalia the Dutch closed the Scheldt for nearly 200 years, 'thus outrageously depriving the inhabitants of Antwerp of the advantages destined to them by God and Nature.' For 50 years the English obstinately insisted on the filling up of the port of Dunkirk, the loss of which they could not forget." (pp. 343-4.)

Renard & Weulersse, *Life and Work.*

"When Elizabeth came to the throne in 1558, England possessed only about 50,000 tons of shipping, while Spain and Portugal held a substantial monopoly of the trade both to India and America."

Adams, *The New Empire,* p. 107.

"She (Holland) had great wealth." Her cities were the northern centre for fish and corn. She had a great fleet trading in these necessaries. The foundations of the power of Holland were deep. They had developed the art of curing fish; they therefore were able to do a large trade with Germany by land and with the southern countries by sea. They produced and exported large amounts of dairy products. They produced and manufactured large quantities of wool and woolen cloth. It was during the fifteenth century that these industries had their maximum developments. Holland was therefore able to outdistance Spain, both in the Americas and the East Indies. The backbone of their commercial prosperity lay in the shipping of Prussian, Polish and Russian cereals to the Mediterranean countries. This business was of far greater importance than all the rest of the Dutch trade put together. "It continued throughout the seventeenth and the greater part of the eighteenth century to be the backbone of the Dutch commercial system."

Cunningham, *Western Civilization,* Vol. II, pp. 196-8.

"While English whalers sailed in increasing numbers to the Arctic Sea, English merchants no longer waited for the Venetians to bring them the products of Italy and the Levant, but, guided by pilots from Marseilles, they visited the Mediterranean ports for themselves. Then, for nearly a hundred years, Holland held the supremacy of the seas. In 1603 the English sent only about a hundred ships into the Baltic, while their rivals sent three thousand. In 1694, the English were still forced to defend their fisheries in their own waters against these formidable competitors. But Dutch power was beginning to decline. Already English vessels were bringing Spanish wines and Italian oil to France, and were taking an increasing part in the French coasting trade."

Renard & Weulersse, *Life and Work*, p. 62.

"The first attack upon the Dutch was an act of commercial aggression, which was to have the most far-reaching consequence upon the trade of the Netherlands and of Great Britain. On October 9, 1651, the English Parliament passed the famous Act of Navigation. This Act had a double object. It was intended not only to promote the navigation of Great Britain, but also to strike a decisive blow at the naval supremacy of the Dutch. The Act decreed that no goods or commodities whatever grown, produced, or manufactured in Asia, Africa or America, should be imported either into England or Ireland or any of the English plantations, except in ships belonging to English subjects, of which the master and the greater number of the crew were of English nationality. Having thus reserved the important trade of Asia, Africa and America to English shipowners and sailors, the Act went on to reserve to them as far as possible the trade of Europe. For this purpose, it was enacted that no goods grown, produced or manufactured in any country of Europe should be imported into Great Britain, except in British ships, or in such ships as were the property of the people of the country or place in which the goods were produced." Barker, *Rise and Decline*, pp. 178-9.

"The Navigation Act of 1651 has often been said to mark a turning-point in the relative position of England and Holland on the seas. It was passed with the definite intention of attacking the Dutch supremacy in the commerce of the world."

Cunningham, *Imperialism of Cromwell*, p. 75.

"As time progressed, the economic policy of France and Colbert's attitude towards the Netherlands became increasingly aggressive. Col-

bert no longer endeavoured to spare the susceptibilities of the Dutch, but stated that he desired the economic decay of the Netherlands so that French traders and manufacturers might take the place of the Dutch. He wrote in 1670 to Pomponne, 'If commerce and manufactures decrease in Holland, they are bound to increase in some other countries, and by encouragement and application the King may succeed in attracting to France part of the industries which are leaving the Netherlands. It is necessary for the welfare of France that the increase of our commerce and manufactures should coincide with a real and serious shrinkage of the commerce and industries of the Dutch.'" (pp. 336-7.)

"Seeing France attacking the trade and all the industries of the Dutch with success and impunity, and rapidly enriching herself at the cost of the Netherlands, England, Sweden, Denmark and other States soon followed with protectionist measures modelled upon those designed by Colbert.

"The whole world attacked the maritime, commercial and industrial supremacy of the Dutch, and under the stress of universal competition the wealth of the Netherlands declined rapidly, to the advantage of her competitors." (p. 337.) Barker, *Rise and Decline.*

"But it was no longer the problem of conquering native peoples and the exploitation of vast areas and rich mines which absorbed the colonist's energies. First in importance among mid-seventeenth century events in the extra-European world was the struggle for the possession of the north and west of South America between the Spanish and Portuguese, the English and the Dutch—each straining its resources, the one to maintain its old supremacy, the other to gain a foothold in the heart of the great planting district of the colonial world." Abbott, *Expansion of Europe,* Vol. II, p. 27.

"Competition for the New World between the five western maritime States of Europe; this is a formula which sums up a great part of the history of the seventeenth and eighteenth centuries."
Seeley, *Expansion of England,* p. 98.

§61. TRADE WARS

Venice expanded considerably during the Crusades.

"But the course of Venetian expansion was not uninterruptedly smooth. The rapid growth of her power in the Levant procured for the Republic an enemy in the person of the Eastern Emperor. The Emperors had always viewed with suspicion the whole movement of the Crusades and more especially the professedly commercial attitude assumed by Venice, who was obviously bent upon acquiring territory and rights inside the Empire. They were aware that they could chastise her by favouring her rivals, Pisa and Genoa. The growing wealth and importance of Venetian colonists in Constantinople, where they are said to have numbered two hundred thousand, increased the imperial jealousy. The Venetians were accused of being troublesome and brawling neighbours, who kept the town in an uproar. In March, 1171, all Venetians in the Empire were placed under arrest and their property confiscated. Popular indignation at Venice swept the Republic into war with the Emperor. One hundred galleys and twenty ships were manned in the course of a hundred days."

Brown, *Venice.* (*Cambridge Modern History,* Vol. I, pp. 254-5.)

Struggle for control of Assyrian coast towns.

"Matters came to a crisis in St. Jean D'Acre in 1255. The Venetians and the Genoese were rivals for possession of a castle and a church here. The Genoese sunk some Venetian galleys in the conflict which ensued and captured a tower belonging to the Pisans. A Venetian fleet soon appeared before Acre. Thirty-two Genoese vessels were burned. The Genoese were routed and driven to Tyre. The Knights of the Hospital sided with Genoa, the Templars with Venice. It is said that 20,000 men perished in this war. Acre was treated as a conquered town and an enormous quantity of spoil was taken. The intervention of the Pope failed. Finally on June 24, 1258, the Genoese fleet was completely destroyed in the roadstead of Acre, and the Genoese who were taken prisoner were compelled to swear not to return to Syria for three years. The Genoese 'quarter' in Acre was divided between the Venetians and the Pisans. The bitter war which thereafter continued between these two belligerents killed the Crusades and ultimately entailed the complete loss of the Holy Land."

Thompson, *Economic and Social History,* p. 421.

"For a long time the Hanse towns had almost monopolised the trade of the Baltic and of the North Sea, having crushed by force of arms all opposition to their trading monopoly. When the Dutch appeared in the Baltic, the Hanse towns tried to oust them by force. Dutch traders were frequently robbed and insulted by the 'Easterlings.' As their complaints were in vain, a number of Dutch towns fitted out a fleet, and in 1437 attacked and defeated the Hanseatic ships in numerous encounters." Barker, *Rise and Decline*, p. 34.

When the Portuguese got to India they found the Arabs in control at Calicut. Cabral in 1501, sank 10 Moorish ships. In 1502-3 another Portuguese force had fought with the Moors. "And on its way back to Portugal it crossed da Gama's formidable armada going out to avenge his wrongs and make good his master's claim to the rights of trade in the Indian seas. Up the east coast of Africa and across to Malabar; bombarding Quiloa and imposing tribute; capturing and burning pilgrim ships bound to Mecca and rice boats from Coromandel; forcing the rulers of the Malabar coast to grant him a monopoly of trade and renounce their connection with Calicut and Egypt, da Gama laid down the lines upon which was to be fought the first great conflict between the West and the farther East." (p. 154.)

"Like all such great catastrophes, the defeat of Spain's Armada marked at once the climax of one series of events and the beginning of another. The chapter of European history which it closed had been the record of the maritime, commercial, and colonial supremacy of Portugal and Spain. The one it opened was to chronicle the transfer of that power to the north." (p. 336.)

Spain fitted out a second Armada against Holland in 1639. Eighty ships, 24,000 men. Crushingly defeated by Van Tromp October 21, 1639. Ninety ships and 12,000 men in Brazil also defeated by Dutch (1639).

"With its (the second Armada's) downfall Spain was eliminated as a naval power from the European Seas." (p. 462.)

Abbott, *Expansion of Europe*, Vol. I,

"The English observed the progress of Dutch commerce with envy. They were indignant at seeing themselves supplanted everywhere in the world's markets, notwithstanding their exertions, especially as they knew that England was superior to the Netherlands by her natural resources, her geographical position, configuration, climate, fertility and the number of her population. They might have tried to defeat their Dutch rivals with their own weapons, industry and thrift, but

these means seemed too slow to their national impatience and impetuousness. They thought it easier and quicker to gain the commerce of the Dutch by force than to obtain it by competition. These were the views among the mercantile classes." (p. 309.)

"The King, the Court, the mercantile interests, and the people were eager to attack the Dutch, and as there was no just cause for war, a cause had to be created. By unrelenting attacks upon their colonies and shipping, the Dutch were to be provoked into hostilities. In the year 1661, Sir Robert Holmes began to attack and plunder the Dutch settlements on the African coast, and to capture Dutch shipping. In 1664 his attacks in that part of the world became more and more vigorous, and in August of that year he sailed across the Atlantic to North America, and took possession of New Amsterdam (now called New York) and of the Dutch North American colonies." (p. 311.)

Barker, *Rise and Decline.*

"Colbert discussed the situation in all its bearings, and dilated upon his disappointments and mortifications. In 1669 he lamented the stagnation of French commerce. He estimated that, out of the 20,000 ships doing the traffic of the world, the Dutch owned 15,000 or 16,000, and the French 500 or 600 at most. The final blow which is said to have almost broken his heart, fell in 1670, when, just as the French East India Company admitted itself to be practically insolvent, the Dutch Company divided 40 per cent. From that moment Colbert recognized peaceful competition as impossible, and nerved himself for war. In May, 1672, Turenne crossed the frontier at the head of a great army, and the campaign opened which is the point of departure for all subsequent European history down to Waterloo."

Adams, *The New Empire*, p. 156.

"When in February, 1763, the treaties of Paris and Hubertsburg were signed and the long wars of the Austrian Succession came to an end, it was apparent that Europe had reached another great turning point in her career. For more than twenty years she had scarcely known peace within her own borders, while the most distant peoples of the earth had been drawn into her quarrels, whose settlement had altered the aspect not of Europe alone, but of the world." (p. 283.)

"The Russian treaty was hardly signed when French and English were at war again in India and contending for supremacy in North America. The logic of facts was irrefutable. Whatever George II's anxiety for his Hanoverian possessions, the fear of England for her

position in North America and India was greater still. It was no longer possible, as it had been even a century before, for Europe to ignore colonial rivalries. These had become a part of the European system; and disturbance in the remotest regions now reacted decisively on the center of affairs." (p. 247.)

Abbott, *Expansion of Europe*, Vol. II.

Commenting on the Elizabethean Age, when England first really turned to the sea. "Then first it began to find itself in the main current of commerce." (p. 108.)

"The principal characteristic of this phase of England is that she is at once commercial and warlike." (p. 109.)

From 1688 to 1815 England was at war for 64 years all told. (p. 20.)

All these wars—seven in number—were fought with France, five from the beginning, the other two ending as wars with France. (p. 24.)

"The great triple war of the middle of that century (18th) is neither more nor less than the great decisive duel between England and France for the possession of the new world." (p. 28.)

Seeley, *Expansion of England*.

"Most of the Dutch wars were waged for commercial purposes, and nearly all their wars were closed by a commercial treaty by which the Netherlands strove to secure preferential treatment, not freedom of trade, for themselves. 'The advantages and privileges secured by these treaties, together with their extreme economy, frugality and industry, enabled the Dutch to undersell their competitors, and to obtain a monopoly in trade; and to these the Dutch owed the prominent position which they occupied in trade.'" (p. 125.)

"Both England and the Netherlands strove after commercial and maritime supremacy, and therefore they were by nature pitted against each other. By defeating the Dutch, England could 'enrich herself and impoverish her adversaries.' The first Anglo-Dutch war had been a war for commercial and maritime supremacy, but it had not decided matters. The object in dispute had not been gained. England had not obtained the maritime position for which she fought. A second Anglo-Dutch war, a war which was to decide whether commercial and maritime supremacy should fall to England or definitely remain with the Netherlands, was, in view of England's ambitions, as unavoidable and as necessary as was the second Punic War and the second war between Venice and Genoa." (pp. 308-9.)

"The Netherlands rapidly declined. France and England, equally strong, desired to become great commercial, maritime, and colonial nations at the cost of the Dutch, and very soon they fell to fighting over the great Dutch inheritance. Competition between English and French traders and between the English and French Governments, for trade, ships, and colonies, led to war. During more than a century, from the time of Louis the Fourteenth to that of Napoleon the First, England commercial and maritime supremacy the world over. England for the trade of the world. The overthrow of Napoleon gave to England commercial and maritime supremacy the world over. England's commercial and industrial supremacy and her colonial empire were won by the sword and by the protective policy of her rulers." (p. 21.) Barker, *Great and Greater Britain.*

"The prize in distant commerce went not to the best producers and merchants, but to the group of the best fighters; not size and resources, but ability to organize and willingness to risk resources in conflict, determined the question of success."

"The little state of Holland made her fortune by an eighty years' war, in which she broke the power of the Portuguese and Spanish in the East."

Britain won out against Holland, Portugal, France and Spain "and found herself repaid, by a position of commercial supremacy, for the expense to which she had been put. Out of the one hundred and twenty-six years between 1688 and 1815 she had spent more than half, sixty-four, in wars ranging from seven to twelve years in length."

Day, *History of Commerce,* p. 166.

"From the commencement of the eighteenth century Great Britain, France, and Russia, have been the most formidable powers in Europe, while Holland, Denmark, and Portugal, have ranked among the minor states. From 1700, to the general peace in 1815, these countries had been engaged in war as follows, viz.:

Great Britain	69 years
Russia	68 years
France	63 years
Holland	43 years
Portugal	40 years
Denmark	28 years"

Jay, *War and Peace,* p. 49.

§62. SUBJUGATION AND ELIMINATION OF TRADE RIVALS

"Venice, Genoa, Pisa, and Amalfi transported the Crusaders and their belongings, and carried on the trade between Europe and the Orient. Of these four town republics Amalfi was in the beginning the greatest. In the ninth century Amalfi, which had fifty thousand inhabitants, ruled the sea and outshone all her competitors in wealth, industry, culture, and learning. . . . Pisa, Amalfi's greatest competitor, became jealous of Amalfi's prosperity. A war between the two republics ended in the victory of the Pisans, who sacked Amalfi in 1135, and Amalfi became what it is still, a miserable village. . . . Rapidly expanding Pisa conquered and colonised Corsica, Sardinia, and the Balearic Islands. . . . Genoa, Pisa's mighty rival, wishing to crush her great competitor, frequently made war upon Pisa, and at last succeeded in destroying her power in the terrible battle of Meloria, in which no fewer than 16,000 Pisans were killed or made prisoners. Genoa became mistress of the sea, and Pisa decayed utterly. Pisa, which in the eleventh century had 150,000 inhabitants, and which then was, perhaps, the largest town in Europe, became a poverty-stricken village.

"When Amalfi and Pisa had been destroyed Genoa and Venice had the Mediterranean trade to themselves. Friction occurred between the two competitors and again war had to decide whether commercial and maritime supremacy, wealth and power should fall to the one or to the other. During three centuries Genoa and Venice were at war, and at last Venice succeeded by a mighty effort in destroying her great rival." Barker, *Great and Greater Britain*, pp. 14-5.

"At the same time the balance of sea-power in the Mediterranean, which had been for nearly three centuries in favour of the Islamic states, was redressed by the naval victories of the Genoese and Pisan fleets; and this, clinched by the Norman conquest of Sicily (1090), gave a powerful incentive to the mercantile ambition of the Italian maritime republics."

Thompson, *Economic and Social History*, p. 389.

"The Mediterranean remained the chief centre of world commerce, and Italy kept the chief place in it. Venice had replaced Byzantium and had become the greatest entrepôt for merchandise in the world, and the Venetians passed for 'lords of the gold of all Christendom.'

They imported annually from the East at the beginning of the fifteenth century ten million ducats worth of goods, more than a third of which came from India, and they bought in Egypt alone goods to the value of a million pounds. After them other Italian powers—Genoa and Florence—shared in the trade of the Black Sea and the Archipelago, Western Asia and Northern Africa, which was a source of immense profit. To this they added trade with the West, where in the fourteenth and fifteenth centuries they established a crowd of counting-houses at Lyons, Paris, Rouen, London, Bruges, Antwerp, and many other places; and they traded also with the distant lands of Central and Eastern Europe."

Boissonnade, *Life and Work*, p. 289.

"On July 10, 1499, the first ship of Vasco's fleet returned. On that day Venice held control of the Eastern trade and was the chief commercial state of Europe. In 1502 the Venetian galleys brought but four bales of pepper from Beyrout, and from Alexandria little more. In a few months, between 1501 and 1502, the price of a cargo of pepper advanced from 75 to 100 ducats on the Rialto, and Venice stood face to face with ruin. On the other hand, Lisbon rose to eminence, and the German merchants, who had been the fountain of Venetian prosperity, left their Fondaco and hurried westward to Portugal, where spices could be bought for half the price they brought upon the Adriatic. In September, 1503, Vasco da Gama returned from his third voyage with a rich cargo, part of which had been bought with the proceeds of a prize worth 24,000 ducats, or possibly $550,000 of our money. The value of the whole consignment touches 1,000,000 ducats, while the cost of the expedition had not exceeded 200,000. It was then the great fall took place in pepper, for the cantar which had previously cost 40 ducats, could afterward be had for 20. And yet the Portuguese made liberal profits, for the spice they sold in Lisbon for 20 ducats they bought in India for two or three. In 1509, precisely a decade after da Gama's return from Calicut, the Portuguese admiral defeated the Egyptian fleet in the Arabian Sea, established a fortification in the island of Sokotra, and closed the straits of Bab-el Mandeb to the eastern trade. Thus Venice was cut off."

Adams, *The New Empire*, pp. 90-1.

Affonso da Albuquerque, 1512-1515, extended Portuguese control over India, the Red Sea, Persian Gulf, Malacca, and Malabar. "In five years he replaced the Arab trading empire with that of Portugal,

opened the way to farther Asia, and fastened the hold of Europe on the East." Abbott, *Expansion of Europe*, Vol. I, p. 160.

"Philip II, ruled not only Spain but the Franche-Comté, the larger part of Italy and the Dutch and Belgian Netherlands as well. The Pope was his ally, and the mighty Roman Catholic Church, which then was a 'church militant' in the fullest sense of the word, fought on the side of the Spaniards. The wealthiest countries in Europe owed obedience to the Spanish crown, and the inexhaustible wealth of both Indies, of Mexico and of Peru were at Spain's disposal. The Spanish troops and the Spanish generals were considered to be by far the best in the world. All States endeavoured to model their armies on those of Spain. According to the reports of the Venetian ambassadors, Spain had not only the largest army but also the strongest fleet. Philip II ruled over twenty million people, France had a population of ten million people, England of only five million people."

Barker, *Rise and Decline*, pp. 79-80.

Dutch attack on Spain. "The first decades of the seventeenth century witnessed a struggle for commercial and colonial supremacy, which rivaled even the efforts to maintain religious liberty in Germany and political liberty in England, and was not without its influence upon each.

"The initial success of the Dutch was rapid and complete. In the four years which followed the death of Elizabeth as many fleets found their way to the East, where from the Cape of Good Hope to the Isles of Spice the Portuguese were forced to fight for the retention of their factories and trade. Three years after Elizabeth's death one of the decisive naval combats of history destroyed a Spanish-Portuguese fleet at Malacca and left control of eastern waters in Dutch hands. A twelvemonth later, another Spanish fleet was overwhelmed by the sea-power of the Netherlands at Gibraltar; and the Atlantic, like the Indian Ocean, was thus cleared of obstructions to the Dutch trading fleets' passage to the East. . . . Thus, while her neighbours were disturbed with civil quarrels, the Netherlands, with all their disadvantages, building upon their successes over Spain, secured their place in world trade and polity."

Abbott, *Expansion of Europe*, Vol. I, pp. 388-9.

"Soon their commerce embraced all countries. In 1609, the King of Morocco sent an embassy to Holland for the conclusion of a com-

mercial treaty. In 1612 the States-General concluded a treaty of amity and commerce with Turkey, which gave to the Dutch freedom of trade throughout the Turkish dominions, and as the Turks then possessed practically all the borders of the Black Sea and the southern coasts of the Mediterranean, the Dutch could boast that their trading empire was larger in extent than that of ancient Rome when it was at the height of its power. In 1609, the Dutch concluded a commercial treaty with Japan. The Dutch became the merchants of the world." (pp. 128-9.)

The celebrated Bank of Amsterdam was founded in 1609. The town of Amsterdam itself guaranteed deposits.

"In consequence of the war with Spain, the Netherlands had become the workshop of the world, the traders of the world, the carriers of the world and the world's colonisers and planters. Through their vast and rapidly growing prosperity, the Dutch were to become also the bankers of the world." (p. 143.)

"During almost two centuries Amsterdam occupied the place which Antwerp had previously occupied. In Adam Smith's time Amsterdam was still 'the great warehouse of Europe for bullion.' Thus the commercial centre of the world became the financial centre of the world, the world's money market, the world's clearing-house, the world's stock-exchange, the world's banker, and the world's financier. Nowhere in the world was money as cheap and as plentiful as it was in Amsterdam." (pp. 144-5.)

"In 1634, the Dutch possessed no less than 34,850 ships, measuring 2,002,500 loads. Of these ships 20,000 were ships used in the marvellously developed inland navigation of the Netherlands, of which details have already been given. Of the remaining 14,850 ships, 6,000 were trading in the Baltic, 2,500 travelled to the North Sea, 1,000 ships carried on the commerce of the Rhine and the Meuse. The commerce with England, Scotland, Ireland, and France was carried on by 1,500 ships, that of Spain, Barbary and the Mediterranean by 800 ships; 300 ships traded to Africa, Brazil, and the East and West Indies; 250 ships travelled to Russia and Greenland, and 2,500 ships were employed in various directions." (pp. 199-200.)

"The Dutch masses were exceedingly prosperous. The workers were fully employed, the wages paid in the Netherlands were the highest in Europe, and beggary was unknown, for the Dutch authorities and munificent private people amply provided for all who were unable to work." (p. 204.)

Barker, *Rise and Decline.*

"Whatever else the Commonwealth typified, it stood for the assertion of English commercial rights; and now that this great interest had control of affairs, a leader, and the strength to assert itself, it was not slow to settle old scores of economic rivalry."

Abbott, *Expansion of Europe,* Vol. II, p. 14.

"But towards the middle of the seventeenth century Holland was unhappily exposed to the rivalry of two powerful neighbours. First England closed her ports to Dutch vessels and challenged their command of the sea. The exploits of Tromp and Ruyter, Tromp's boast that he had swept the Thames with his broom, did not prevent their country from suffering. Then Louis XIV's armies invaded Holland. The little republic put up a splendid defence, but she emerged from the victorious struggle exhausted. Moreover, internally Holland was becoming softened and corrupted; the great wealth of the rich was matched by the great misery of the poor, and moral decadence resulted." Renard & Weulersse, *Life and Work,* p. 54.

"With Drake's victory off Calais, on August 9, 1588, a readjustment of the social equilibrium began, which gradually moulded that mighty economic system whose heart, for more than two hundred years, lay upon the Thames. On that day, also, the organism which had centered at Venice and in Flanders, which had given birth to the Augsberg bankers and the Hanseatic League, received its death wound, and the long strife opened between Holland, England, and France for the command of the oceanic eastern trade."

Adams, *The New Empire,* p. 113.

Spain, Portugal, Holland, France and England competed for colonial empire through the seventeenth and eighteenth centuries. Four of them went out of business because of the "wars of independence, in which Transatlantic colonies severed themselves from the mother-country, and the colonial conquests of England. I have described already the Hundred Years' War in which Greater France was swallowed up in Greater Britain; Greater Holland in like manner suffered serious diminution, losing the Cape of Good Hope and Demerara to England."

Seeley, *Expansion of England,* p. 523.

§63. THE BRITISH EMPIRE EMERGES

"Thus were united all the kingdoms of the Heptarchy in one great state, near four hundred years after the first arrival of the Saxons in Britain; and the fortunate arms and prudent policy of Egbert at last effected what had been so often attempted in vain by so many princes. Kent, Northumberland and Mercia, which had successively aspired to general dominion, were now incorporated in his empire, and the other subordinate kingdoms seemed willing to share the same fate. His territories were nearly of the same extent with what is now properly called England; and a favorable prospect was afforded to the Anglo-Saxons, of establishing a civilized monarchy, possessed of tranquillity within itself, and secure against foreign invasion. This great event happened in the year 827."

Hume, *The History of England*, Vol. I, p. 60.

"With the defeat of the Armada, after so many years of travail, England now stood forth triumphant and rejoicing in her strength. What the court of Lorenzo de Medici had been to letters, what the court of Ferdinand and Isabella had been to war and adventure a hundred years before, the court of Elizabeth now became to both letters and adventure. Strong in the prestige of Spanish overthrow, enriched by the trade and plunder of the oceanic world, inspired by the new learning of the Renaissance and the spirit of the Reformation, skilled alike to wield the sword and pen, the brilliant circle ranged about the English queen touched the high level of courtly achievement in action and intellect alike."

Abbott, *The Expansion of Europe*, Vol. I, p. 342.

"It was in the Elizabethan age, as I showed, that England first assumed its modern character, and this means, as I showed at the same time, that then first it began to find itself in the main current of commerce, and then first to direct its energies to the sea and to the New World." Seeley, *Expansion of England*, pp. 107-8.

"The foundations of the English Empire were laid during the seventeenth century. When that era opened, there were no established trading connections between this country and the East, and some fishing rights in Newfoundland constituted our only territorial claims in the West. Before it closed, however, the East India Company had

obtained a firm footing in Bombay, Madras, and Bengal, and had already entered on its career of conquest. We had some possessions on the Guinea coast, and held Jamaica, Barbados and other West Indian Islands, while our colonies stretched in an unbroken line on the Atlantic seaboard from Florida to Canada."

Cunningham, *Imperialism of Cromwell*, p. 72.

In addition to wealth from India:

"During the first half of the seventeenth century a large colony of Spanish Jews was established in London, and even Cromwell did not disdain to protect them. Although they were excluded from direct participation in certain trades, their money was used to promote big business concerns. Soon afterwards the richest of the French refugees brought to their adopted country not only their experience, but their wealth." Renard & Weulersse, *Life and Work*, p. 75.

"The great London financiers and other royal creditors appear to have aimed at directing the economic policy of the realm and to have been fairly successful in forcing their views upon the Crown. Large sums of money were borrowed from towns in their corporate capacity, and their representatives could make their wishes known in Parliament; from the time of Richard II onwards we can trace the existence in Parliament of a moneyed interest which gradually increased in influence till it at last succeeded in overbalancing the power of the landed gentry." Cunningham, *Western Civilization*, Vol. II, p. 175.

England. "Carriers used pack-horses, as the roads were generally too deep for wagons. From Manchester in 1757, there was but one coach to London every second day, and it took four days and a half to do the 130 miles.

"Under such conditions, in winter, towns were isolated and often suffered from famine. Sometimes Manchester had bread riots, one of which called the Shude Hill fight was rather serious and was long remembered. It cost 40s. a ton to convey goods from Manchester to Liverpool by road, and 12s. by river; but by river there was danger of damage by the way."

Adams, *War, as the Ultimate Form of Economic Competition.* (*Proceedings of Naval Institute*, Vol. XXIX, No. 4, p. 858.)

"Another result of her insular position was that development in England was continuous; for three centuries there was no invasion

and no serious disaster. There were revolutions, indeed, inspired by hatred of despotism and religious passions, but they did not interrupt economic progress. If Cromwell was not the originator of British commercial imperialism he at any rate prepared the way for it, and in this respect the Restoration only carried on the work of the Revolution." Renard & Weulersse, *Life and Work*, pp. 362-3.

"England at this time was not in the main a capital-exporting but rather a capital-importing land. Dutch capital was invested in England to a large extent all through the seventeenth century. It largely rebuilt London after the Fire; it largely drained the Fens. The development of English towns and small industries, the improving and enclosing of land, went on all through the seventeenth century and at a slower rate in the eighteenth century. In 1774, nevertheless, England was paying to Holland £1 million a year interest on capital borrowed, and the total debt to Holland at this time amounted to about £25 millions." Price, *Economic Problems*, p. 30.

"The English Navigation Acts had proved exceedingly profitable to England and very harmful to the Netherlands. Child, Petty and Davenant, the three greatest English economists of the period, agreed that the commerce and riches of England had never increased so fast as during the busy period preceding the revolution of 1688. England's foreign commerce had doubled in a few years. The total of the shipping which was employed outwards about 1663 was 142,000 tons; at the revolution of 1688 it amounted to 285,800 tons. At the first epoch the whole cargo exported amounted to about £2,043,043. At the second it came to about £4,086,087. In 1680, Sir William Petty estimated the shipping of Europe at about 2,000,000 tons, of which the Netherlands possessed 900,000 tons and England 500,000 tons. From a position of maritime insignificance England had, under the protection of the Navigation Acts, obtained the second place on the sea, and she was rapidly conquering for herself the first position on the ocean. Since the introduction of the Navigation Acts foreign shipping had almost completely disappeared from the English coast, as the following figures show.

	Ships Cleared Outward	
	British	Foreign
1663-1669	95,286	47,634
1749-1751	609,798	51,386"

Barker, *Rise and Decline*, p. 406.

"The great duel with Holland" covers the middle of the seventeenth century. "It embraces our first great naval wars, and the following acquisitions; Jamaica conquered under Cromwell from Spain, Bombay received by Charles II from Portugal, New York acquired also by Charles II from Holland."

Seeley, *Expansion of England*, pp. 117-8.

Holland lost the leadership in commerce to England.

"The time when this change occurred . . . was during the one hundred years between 1650, roughly the date when Cromwell gathered up the scattered forces of England to use them for her commercial advancement, and 1750, when the commercial supremacy of England could no longer be questioned."

Day, *History of Commerce*, p. 195.

"It is an economic system connecting Asia and America by way of the Red Sea and the Cape of Good Hope. In other words, England accomplished on a great scale, by means of water communications, what Alexander failed in doing on a small, because of the cost of overland routes. From Hindustan the English system stretches, by way of Egypt and South Africa, the two stopping-places on its two lines of travel, to the British Islands, which have served not only as a center of exchanges, but as a focus of industry, because of their minerals. Thence it spread over North America, which afforded an expanding market. The United States was politically severed from this system by the Revolution of 1776, but continued economically to appertain to it until of late it has begun to assume the aspect of the heart of a new organism."

Adams, *The New Empire*, p. 114.

Position of Great Britain in 1763.

"From the war England emerged the dominant colonial power of the world. Not in extent, perhaps, nor in mere numbers, was she pre-eminent, for the huge Spanish domain, stretching along the Pacific from the Antarctic to the Arctic zone and half across two continents, rivaled her in both area and population and exceeded her possessions in immediate wealth. But in the deeper sources of imperial strength; the mastery of the sea, the widest lands available for European settlement, the richest trade, the largest group of European colonists, and possibilities of development, she stood almost alone."

Abbott, *Expansion of Europe*, Vol. II, p. 293.

"At the close of the eighteenth century England possessed in the New World the region of the St. Lawrence, New Brunswick, Nova Scotia, Newfoundland, Prince Edward Island, and a large, vague region known as the Hudson Bay territory; Jamaica, and other West Indian islands; in Australia, a strip of the eastern coast; in India, the Bengal or lower Ganges region, Bombay, and strips along the eastern and western coasts. The most important feature of her colonial policy had been her elimination of France as a rival, from whom she had taken in the Seven Years' War (1756-1763) almost all of her North American and East Indian possessions. This Empire she increased during the Revolutionary and Napoleonic wars, largely at the expense of France, and Holland, the ally of France. Thus she acquired the Cape of Good Hope, Guiana in South America, Tobago, Trinidad, and St. Lucia, Mauritius in the Indian Ocean, and the large island of Ceylon. In the Mediterranean she acquired Malta. She also obtained Helgoland, and the protectorate of the Ionian Islands."

Hazen, *Fifty Years of Europe*, p. 167.

"The British Empire is, of course, the gift of sea-power, but of sea-power understood in a wide sense. Without great maritime activity and naval preëminence, if not predominance, we could not have got a footing in the territories which compose it. In many cases that footing could not have been confirmed and retained without military, as distinguished from naval effort."

Bridge, *From Island to Empire*, p. xxii.

"Were the Empire (British) not already in being it would be impossible, under present conditions of international policy, for any conceivable Power to create it.

"We acquired what we have when the whole energies of one insular people alone were free to concentrate upon the 'sea-affair' and to overbear the partial and irregular energies directed toward the same object by a single rival—France."

Europe was busy with war and revolution. "America was unploughed and Asia was dormant. We settled at will, annexed to our liking, and were everywhere unassailable."

Garvin, *The Maintenance of Empire* (in Goldman, *Empire and the Century*, p. 70).

"Acting on that understanding they laid the foundations of the navy which struck down the Spaniards in the battle of the Armada in 1588, the Dutch in a long series of conflicts, the French in two hundred years of warfare, and at last, in the fullness of time, the Germans who grasped for the trident. It was through the sea power that England was able to seize and hold the geographical theaters for her commercial and colonial empire."

Beard, *Rise of American Civilization*, Vol. I, p. 13.

"After the fall of Napoleon . . . the French émigrés gradually began to withdraw their balances from London, while accumulations of savings began to seek outlets in foreign investments once more. Then it was seen that London was quickly forging ahead of Amsterdam, whose bankers never really recovered the ground they lost from the Napoleonic wars. Now, indeed, there began a considerable amount of foreign borrowing in different parts of the world. Most of the Western European governments were either in a bankrupt or in a semi-insolvent state. They came to London, where profits from pre-war colonial investments were beginning to accumulate again, and to provide a fund from which fresh investments could be made. Thus in 1817 and 1818 the London Stock Exchange provided £38 millions in loans to the Governments of vanquished France and victorious Prussia, Austria, and Russia. France, being the most needy, got the lion's share, viz. £27 millions at from 7½ per cent to 9½ per cent. This was the "Dawes loan" of the early nineteenth century to stabilize the currency and restart on its legs again a defeated foe. For which piece of philanthropy a goodly interest was duly taken. Between 1818 and 1825 further loans to the tune of £31 millions were borrowed by European Governments in London. The other direction into which British capital investments were moving at this time was the United States. Between 1818 and 1825, £18 millions in loans went to the United States Government and municipalities from London and to private undertakings and estates. Public development schemes were now taking shape in America, and canals and harbours were being built, largely with British capital. Soon after 1820 a movement of capital from England began to the South American countries which were winning their political independence. By 1825 £38 millions were raised in London for mining development in these countries. But speculation began to exceed reasonable bounds and mining companies' capital was soon watered. A crisis took place in that year, and much of this capital was lost."

Price, *Economic Problems*, pp. 36-8.

"On Napoleon's fall Great Britain was left in a commanding position. Without a rival on the sea, she decisively undersold her overland competitor, while her minerals gave her an effective monopoly of manufacturing. For upward of half a century she enjoyed these unparalleled advantages, and it was during this period that she amassed the wealth which made her banker of the world. Instead of being drained of her bullion, as ancient Italy had been, England sold cottons to India, and instead of having to buy grain from Sicily and Egypt, like Rome, her own agriculture, down to 1845, nearly sufficed for her wants. No such favourable conditions had perhaps ever existed, and an equilibrium so stable would have apparently defied attack, had not the English themselves invented the locomotive."

Adams, *The New Empire*, p. 167.

"In spite of the loss of the American colonies on the eve of the French Revolution, England possessed in 1815 the foundations of the greatest commercial and colonial power which has ever existed."

Robinson & Beard, *Outlines of European History*, Vol. II, p. 322.

§69. THE IMPERIAL AREAS

"Il y a quelque chose de vrai dans la division de l'histoire économique du monde en trois âges: l'époque méditerranéenne, l'âge de l'Atlantique et, de nos jours, celui du Pacifique. Les premières années du XVIe siècle marquent définitivement le déclin de l'Orient grec, la décadence latine de Venise et le recul des Italiens."

Hennebicq, *Genèse de l'Impérialisme Anglais*, p. 49.

Area of Imperial Nuclei.

	Area (Sq. miles)	Population (thousands)
Italy	119,733	38,901
Spain	195,061	21,347
Belgium	11,753	7,466
France	212,736	39,210
Germany	182,252	59,853
Britain	94,101	44,169
Netherlands	13,246	6,865
United States (Continental)	3,026,789	105,711
Argentina	1,153,417	8,699
Brazil	3,276,358	30,636
Union of South Africa	472,347	6,929
Australia	2,974,581	5,436
China	4,278,352	427,679
Japan	149,792	55,963
British India	1,091,056	247,003

Statistical Abstract of the U. S., pp. 790-2.

Speech of Bismarck in the North German Reichstag, July 9, 1869: "From the very beginning of my career my sole guiding-star has been how to unify Germany, and, that being achieved, how to strengthen, complete, and so constitute her unification that it may be preserved enduringly and with the goodwill of all concerned in it."

Rose, *Development of the European Nations*, Vol. I, p. 153.

German unity which came out of the Zollverein and war was clinched at Paris in 1871.

"The enthusiasm which the victories of the German armies evoked swept away the resistance of even the most particularist princes; the last steps had been taken, and during the siege of Paris, on the 18th January, 1871, in a gathering of rulers, soldiers, and statesmen at Versailles there was proclaimed the federal German Empire, with the imperial dignity hereditary in the Prussian royal house."

Ashley, *Europe from Waterloo to Sarajevo*, p. 162.

"By the last quarter of the nineteenth century, this evolution was completed. Everywhere frontier lines were at the same time political and economic, and they were guarded by the customs officer no less than by the soldier. Henceforth the right to establish a protective

tariff was one of the essential attributes of sovereignty. The nation had become an economic entity."

Delaisi, *Political Myths*, p. 240.

"The Congress of Berlin marks the close of the period of nationalist revolutions and wars in Europe. With one or two exceptions, all the European states had attained stability in their constitutional systems. From this time on, diplomatic ambition tended more and more to extra-European interests."

Bakeless, *Economic Causes of Modern War*, p. 38.

"By the end of the nineteenth century, all the nations had become obsessed with the idea of being self-supporting. Unable to conceive of any form of collective existence other than that of nationality, they considered economic autonomy to be the necessary concomitant to political autonomy. Each of them endeavoured to acclimatise within its own territory all the industries that were indispensable to its needs. Up to a point, the small States were successful in the attempt and surrounded themselves with the barriers of economic nationalism which were not, however, without many loopholes."

Delaisi, *Political Myths*, p. 247.

The Expansion of Europe (1880-1900).

"The Congress of Berlin may be said to close the chapter of European history that opened with the Congress of Vienna. Henceforth the relations of the Powers were affected less by internal European questions than by the world-wide struggle for colonies and markets. It was not on the Rhine or the Danube but in Tunis, Egypt, Nigeria, Manchuria, that the Chancelleries of Europe now found the centre of gravity of their diplomacy."

Gooch & Masterman, *Foreign Policy*, p. 35-6.

§70. EXPANSION OF THE INDUSTRIAL EMPIRES

"During the last fifteen years of the century, the foreign policy of Great Britain was guided by Lord Salisbury, except for the brief periods during which Lord Rosebery was foreign secretary (1886, 1892-5)—and even these years were marked by no break in the continuity of our foreign policy, in regard to which Lord Rosebery was in fundamental agreement with the Conservative leader. One of the most important services that Lord Salisbury did was to lift foreign affairs out of the sphere of party contest."

Gooch & Masterman, *Foreign Policy*, p. 34.

"But territorial expansion, the extension of political control for economic reasons, the lust for markets, the quest for resources, the command of great waterways, supremacy on the sea—these are the driving and compelling forces that make imperialism a terror in the world."

Hill, *Rebuilding of Europe*, p. 74.

"Under the reign of Imperialism the temple of Janus is never closed. Blood never ceases to run. The voice of the mourner is never hushed. Of course, in every case, some excellent reason has been forthcoming. We were invariably on the defensive. We had no intention of going to war. Having gone to war, we had no intention of occupying the country. Having occupied the country provisionally, we were still determined not to annex it. Having annexed it, we were convinced that the whole process was inevitable from first to last. On each several occasion we acted purely on the defensive, and on each several occasion we ended by occupying the land of our aggressive neighbors."

Hobhouse, *Democracy*, pp. 28-9.

"It was in Africa that European expansion found its chief sphere of activity. The "Monroe Doctrine" precluded the Powers of Europe from establishing spheres of influence in the New World, and the vast undeveloped resources of the "Dark Continent" attracted the attention of statesmen. In 1876, Leopold II of Belgium founded the "International Association for the Exploration and Civilization of Africa," and thus laid the foundation of the Congo Free State.

"At the Congress of Berlin, Lord Salisbury and Bismarck are said to have hinted to the French envoy that no objection would be raised by Great Britain or Germany to a French occupation of Tunis. Bis-

mark's object may have been to turn the attention of French statesmen from the idea of a war of revenge to colonial enterprise; whether he foresaw that the French annexation of Tunis, which took effect in 1881, would arouse the hostility of Italy and so enable him to bring her into alliance with Germany and Austria, is more doubtful."

Gooch & Masterman, *Foreign Policy*, pp. 31-2.

"The general results of the partition of Africa may best be realized by studying the map . . . and by the following statistics as presented by Mr. Scott Keltie in the *Encyclopaedia Britannica:*

	Square Miles
French territories in Africa (inclusive of the Sahara)	3,804,974
British (inclusive of the Transvaal and Orange River Colonies, but exclusive of the Anglo-Egyptian Sudan—610,000 sq. mi.)	2,713,910
German	933,380
Congo Free State	900,000
Portuguese	790,124
Italian	188,500

"These results correspond in the main to the foresight and energy displayed by the several States, and to the initial advantages which they enjoyed on the coast of Africa." (p. 267.)

"In the opening up of new lands by European peoples the order of events is generally somewhat as follows: First come explorers, pioneers, or missionaries. These having thrown some light on the character of a land or of its people, traders follow in their wake; and in due course factories are formed and settlements arise. The ideas of the newcomers as to the rights of property and land holding differ so widely from those of the natives, that quarrels and strifes frequently ensue. Warships and soldiers then appear on the scene; and the end of the old order of things is marked by the hoisting of the Union Jack or the French or German tricolour." (p. 228.)

Rose, *Development of the European Nations*, Vol. II.

"One of the most remarkable features of the nineteenth century was the reaching out of Europe for the conquest of the world. It was not only a century of nation building, but also of empire building on a colossal scale, a century of European emigration and colonisation, a century during which the white race seized whatever regions of the earth remained still unappropriated or were too weak to preserve themselves inviolate." Hazen, *Fifty Years of Europe*, p. 166.

"And in the rear marched the array of backward populations which had not yet reached the national stage and had been left untouched by industry.

"For centuries, the great States, uninterested in these populations, had merely established settlements in their territory; but from the day when big industry first required cotton, rubber, copper, spelter, and had to sell cotton goods, alcohol, and tin kettles, they discovered an ardent desire to civilise the negroes, the Hindus, the Chinese, and the inhabitants of Borneo and Kamschatka. Behind the explorers and the missionaries marched traders, constructing engineers, financiers, and customs officers who had to exact from the natives the taxes required for the payment of the interest on the loans arranged by the financiers. Every big industrial State had its own well-organized gangs of prospectors, exporters, bankers engaged in the opening up of backward countries. Every State pushed out like tentacles its shipping lines, its railways and its telegraphs. In less than half a century the whole planet was explored, penetrated, and exploited."

Delaisi, *Political Myths.* (pp. 255-6.)

Prof. Seeley, in a charmingly naïve lecture on the Empire (Series "The Expansion of England") notes that the American aborigines were helpless before the Europeans with "no more power of resisting the European than the sheep has of resisting the wolf. Even where it was numerous and had a settled polity, as in Peru, it could make no resistance; its States were crushed, the ruling families extinguished, and the population itself reduced to a form of slavery. Everywhere therefore the country fell into the hands of the immigrating race, and was disposed of at its pleasure as so much plunder. The immigrants did not merely, as in India, gradually show a great military superiority to the native race, so as in the end to subdue them, but overwhelmed them at once like a party of hunters suddenly assailing a herd of antelopes." Seeley, *Expansion of England,* p. 44.

"It must, however, be observed that the great sea powers henceforward possessed extensive territories. The day was past for the merchant republics, Venice, Genoa and the Hanseatic towns, whose whole dominions—including both metropolis and 'factories'—covered only a few square leagues, and whose empire resided in their fleets; urban economy could not compete with powerful kingdoms. Even the sharp decline of Portugal and more gradual decay of Holland are largely explicable by the fact that they did not possess a large enough

Continental base. It was a result of the universal protectionism. Commercial cities which did not control their hinterland always ran the risk of being short of outbound freight, and the big states were so anxious to develop their own mercantile marines that they hindered in every possible way the operations of the small states, which were reduced to the part of carriers."

Renard & Weulersse, *Life and Work*, p. 349.

"Thus, at the beginning of the twentieth century, the whole northern hemisphere of the planet was occupied by a series of big industrial States which formed a continuous belt from England and France through Italy, Austria and Germany, to Russia, Japan, and the United States. During the agrarian period, each of these states had constituted itself in accordance with the precepts of the national myth (unity of territory, of language, of race and of culture), but the unforeseen development of machinery, while enriching them, had compelled them to abandon their historical framework and to seek beyond their frontiers for 'complementary' countries which they could not possibly assimilate. They had passed beyond the national stage."

Delaisi, *Political Myths*, p. 255.

"In this connection, the growing importance of sea communications, protected trade routes, and naval stations, claims our attention. Modern imperialism is more vitally interested in commercial expansion than in territorial acquisition; the great nations are becoming more and more dependent on transoceanic markets. To obtain these and to secure their future accessibility and development, the trade routes leading to them must be protected; and to this end, navies, as well as coaling stations and trade entrepôts are indispensable.

"Recent history can be correctly and fully understood only when read in the light of this necessity of safe and uninterrupted communication between the older nations and their markets and dependencies."

Reinsch, *World Politics*, p. 31.

"Just let us consider what that Empire is. I am not going to-night to speak of those hundreds of millions of our Indian and native fellow subjects for whom we have become responsible. It is upon us that the obligation lies to give them good government now, and in every way to promote their future development and prosperity. And some day it might be worth my while, and it might be possible, to discuss with you all the important questions which such an enormous obligation imposes."

Chamberlain, *Imperial Union*, p. 6.

"Under the policy of exploitation, which aims to convert the native into a wage-earner and to deprive him of his land, colonial governments have been guilty of brutal treatment of the most inhuman nature. In the German colonies white men carried around whips as naturally as they did handkerchiefs. In many of the French and British possessions, the flogging of natives has also been a common spectacle. The German adventurer, Dr. Karl Peters, beat his concubines to death, and Frenchmen in the New Hebrides twisted the flesh of their servants with pincers." (p. 323.)

"Finally, the policy of exploitation has resulted, in some cases, in debauching the natives. In a former chapter we have seen how widespread the liquor and the drug traffic is in the tropical parts of the world. In Africa hundreds of children have been pawned in order to secure gin; and some governments have aided the process by requiring that fines should be paid in liquor. One-half of the revenue of the colonies in West Africa has come from excises largely on strong drink. Smoking opium and gambling have been encouraged in many colonies in the Far East." (p. 326.)

"It is a striking fact that the colonial empires of the world have been established for the most part by force—that the backward peoples under the direct control of the whites have submitted to this rule only at the flourish of the sword." (p. 353.)

Buell, *International Relations.*

"Coming now to the methods by which national expansion is effected, by which, in other words, entrance is gained to territory not yet appropriated by the great powers, we have to consider in the first place the influence of missions. There is a measure of truth in the saying that the flag follows the missionary and trade follows the flag, although the favorite example cited in Germany—that of the same British ship taking out missionaries and cheaply manufactured idols—may be slightly tinctured with international pleasantry. The importance attributed to this agency by the powers is well shown by the struggle between France and Germany for the right to protect the Roman Catholic missions of the Orient." (pp. 32-3.)

"As the priority of appearance of a nation on unappropriated soil is of great importance under the doctrine of preoccupation, the emmissaries of religion who begin the civilizing process are, under the present exaggerated conditions of competition, most valuable advance pickets of national expansion." (pp. 33-4.)

Reinsch, *World Politics.*

"Due to the creation of foreign markets, the number of people reached by European trade increased during the 19th century about 400 per cent." (p. 292.)

"Imperialism has caused disputes not only between native peoples and foreign governments but also between capitalistic or industrially developed powers. Once political control is established over a backward region, it becomes possible for a government to establish an economic monopoly to the detriment of the outside world. This is the fundamental reason why imperialism has become bitterly competitive and bitterly nationalistic. Some nations such as France and Russia have attempted to gain control over nominally independent countries and to set up colonies, in order to close the door to the traders from all nations except their own. Such nations as England, dependent particularly upon such trade because of their insular position, have felt obliged to become colonial powers in order to prevent the door in such regions from being slammed in their faces." (p. 416.)

Buell, *International Relations.*

"I thoroughly believe that upon our trade and industry, upon its maintenance—above all, upon its increase in proportion to the increase of our population—depends the existence of Great Britain as an important element among the great nations of the world. It is no use people saying that this is a sordid view of the subject. No; it is at the root of everything else. We can do no good in the world unless we are strong. We cannot be strong unless we hold our own—and we hold our own in these small islands—for remember what a speck we are on the face of the globe—we hold our own with a population altogether out of proportion to the area of our territory, only by our supremacy in trade and in industry, and our trade and industry is, as I have pointed out elsewhere, largely dependent on the continuance of our present relations with British possessions abroad."

Chamberlain, *Imperial Union,* pp. 66-7.

§71—§77. SURVIVAL CONFLICT BETWEEN INDUSTRIAL EMPIRES

"Until 1880 European expansion "had not been such as to menace at all seriously the maintenance of peace; the various movements had been generally too remote from one another and had been limited mainly to three states—the United Kingdom, whose territories in India, the Malay Peninsula, Australasia, and South and West Africa had been very greatly extended; France which had acquired Algeria and Tunis, and was establishing herself in West Africa, especially through the energetic work of Faidherbe in Senegambia between 1854 and 1865; and Russia, which had made steady progress in pushing forward her boundaries in Central Asia and the far east of that continent. But the opening up of Africa by explorers of many nations, the forward colonial policy of France, and the rise of colonial ambitions in other nations, for reasons to be discussed later, had now brought about a new and critical situation."

Ashley, *Europe from Waterloo to Sarajevo,* pp. 210-1.

"At the end of the nineteenth century, a whole technique of economic war had been evolved and applied by the seven imperialistic powers, with more or less dexterity, against one another. Each of them, using as a basis its colonies and the markets where it was in control, made efforts to extend the scope of its penetration towards neighbouring countries. Unavoidably, the competing gangs of prospectors, engineers and traders ended by coming across one another, with the result that conflicts arose in almost every corner of the globe." (pp. 261-2.)

"This new situation was bound to provoke a fundamental change in the utilisation of armies. If the object of war is the elimination of an industrial competitor, the surest way to victory is to cut him off from his supplies and from his outlets. The more highly industrialised, the more vulnerable he is. The blockade is the natural strategy of the economic war." (p. 276.) Delaisi, *Political Myths.*

"Meanwhile, partly through the direct needs of the conquered territories, partly through the dangerous jealousies awakened by the march of Empire, but most of all through the mood of nervous suspicion engendered among ourselves by the consciousness of our aggressions, the policy of expansion fastens on us an ever increasing burden of

military and naval expenditure. The following table shows the total expenditure in both branches of the service in 1870, before the revival of Imperialism began; in 1895, when the Unionist Government returned to power; in 1898-9, the year before the South African War; and in the present year. The total expenditure of each year is also given.

	Naval and Military expenditure (000's omitted)	Total expenditure (000's omitted)
1875	£24,507	£ 73,605
1895	35,595	93,918
1899	44,283	108,150
1904	72,153	146,961."

Hobhouse, *Democracy*, pp. 30-31.

By 1884 Germany and Great Britain were involved in a number of disputes. Several controversies took place in the period 1886-1900.

"An impartial examination of the facts will not bear out the accusation that Great Britain deliberately set itself to frustrate Germany's legitimate colonial aspirations. It would be too much to say that English public opinion wholly endorsed the welcome that Gladstone offered to Germany as a "friend and ally in the spread of civilization," but where our Imperial interests were not menaced, we did not place any obstacles in the way of German expansion."

Gooch & Masterman, *Foreign Policy*, pp. 35-6.

"Therefore, we seem forced to the conclusion that the world will move in the future in the same direction as in the past; that nations will become larger and larger and fewer and fewer, the immediate instrument of international changes being war; and that certain nations will become very powerful and nearly dominate the earth in turn, as Persia, Greece, Rome, Spain, France, and Great Britain have done—and as some other country soon may do."

Fiske, *The Navy as a Fighting Machine*, p. 28.

The British Empire "comprises a fourth part of the habitable globe and almost a third of the estimated numbers of mankind. Its existence implies even more than this, for it depends upon the control of all the sea communications of the world and the possession of a naval superiority . . . which is nothing less than the dream of universal monarchy realized on one element."

Garvin, *The Maintenance of Empire*, pp. 69-70.

"And like suicide, it would mean dereliction of duty. For the British race has become responsible for the peace and order and the just and humane government of three or four hundred millions of people, who, differing as widely as possible from one another in other respects, are all alike in this, that, from whatever causes, they do not possess the gift of maintaining peace and order for themselves. Without our control their political condition would be one of chaos, as it was for centuries before that control was established. The *Pax Britannica* is essential to the maintenance of civilised conditions of existence among one-fifth of the human race."

Milner, *Nation and the Empire*, p. 33.

"In no quarter was there any longer a desire to widen still further the boundaries of our far-flung Empire. The era of acquisition had melted into the era of conservation. Henceforth peace was the greatest of British interests." Gooch & Masterman, *Foreign Policy*, p. 45.

"In 1850 England held a position which has been rarely equalled. The centre of the maritime system, she was also the chief seat of production of the useful metals, the focus of industry, and the leading banker of the world. Her trade was the largest and the most active, her domestic transportation the most complete, rapid, and cheap, and her intellectual activity the greatest, of any community then existing."

Adams, *The New Empire*, pp. 202-3.

"England stood easily at the head of all the nations of the world in the output of her mines and factories and the vast extent of her commerce. She had laid the foundations for this supremacy during the eighteenth century, when she gained control of India and China and certain important islands, and in the early part of the nineteenth century, when she secured her interests in southern Africa, Australia, and New Zealand. This expansion enabled her to reap the full advantage of her new machinery, which had so marvelously increased her power of production. . . .

"The annual trade of Great Britain, including exports and imports, rose from about one hundred and thirty-five million dollars in 1798 to over five hundred millions in 1850. . . .

"The other nations were far behind her in all these sources of commercial strength. . . . There was not a single steam engine in France in 1812. . . . Germany was less favorably situated than France, since it had for years been the main theatre of long and devastating wars.

It was not a united nation, but a collection of practically independent states. . . . Italy and Austria suffered from similar disadvantages.

"The United States of America . . . had in 1815 a small and scattered population. Its interests were almost exclusively agricultural." Robinson & Beard, *Development of Modern Europe*, Vol. II, pp. 318-9.

"As early as 1882, the iron mines of the United Kingdom yielded their maximum, in round numbers, 18,000,000 tons of ore; in 1900 only 14,000,000. In 1868, 9817 tons of copper were produced; in 1899, 637 tons. Two years later the turn came in lead, the output in 1870 having reached 73,420 tons, as against 23,552 in 1899; while tin, which stood at 10,900 tons in 1871, had dwindled to 4013 in the same year. The quantity of coal raised, indeed, increases, but prices have shown a tendency to advance as the mines sink deeper, so that any considerable industrial expansion is likely to occasion a rise in the cost of fuel." Adams, *The New Empire*, p. 176.

Pig Iron Production of the world and of the principal nations. 1860-1913. (In 1000 metric tons)

"Jahr	*G. B.*	*Deutsch.*	*U. S.*	*Fr.*	*Bel.*	*Russ.*	*Welt Pro.*
1860	3,889	479	834	898	320	296	7,409
1865	4,896	933	845	.....	471	.....	9,100
1870	6,057	1,346	1,695	1,178	632	358	12,100
1875	6,465	1,981	2,055	1,448	542	.....	14,100
1880	7,876	2,692	3,895	1,725	690	449	18,300
1885	7,532	3,647	4,108	1,635	713	528	19,700
1890	8,028	4,625	9,347	1,962	788	928	27,500
1895	7,824	5,433	9,597	2,004	829	1,454	29,400
1900	9,103	8,470	14,010	2,714	1,019	2,709	42,000
1905	9,762	10,814	23,361	3,077	1,310	2,733	54,800
1910	10,173	14,793	27,742	4,043	1,852	3,040	66,000
1912	9,100	17,853	30,203	4,872	2,345	3,588	72,000
1913	10,647	19,309	31,214	5,100	2,470	.....	...."

Zinoviev, *Der Krieg*, p. 388.

"Never was imperialistic rivalry so keen as after the great war. We are now entering a period of intensified international economic competition, in which the problem of imperialism is becoming all the more acute because most of the backward areas available for colonies have already been appropriated. Competition is stimulated by scarcity." Moon, *Imperialism*, p. 5.

"Thus by the commencement of this century Germany and France, and, linked economically with both of them, Belgium, were the typical representatives of the B category of countries of new capital accumulation in Europe. Their industrial development had been much later than that of Britain. In 1909 the total capital invested in joint-stock companies in Britain was £2,160 millions, in Germany only £390 millions. In France the only figure available is for 1898, where £540 millions, including railway investments, compares with about £2,000 millions in Great Britain at that time. But if the difference in the state of industrialization between countries in categories A and B in Europe on the eve of the Great War was great, the difference in the rate of accumulation of capital was still greater. Thus we find that between 1870 and 1914 the amount of foreign investments had increased five times in France and only two-and-a-quarter times in Great Britain. Between 1902 and 1914 it had increased twelve times in Germany, while it had only added 30 per cent to its value during this period in Great Britain."

Price, *Economic Problems*, pp. 62-3.

"In effect, she forbade the possession of an army or a navy by any of them, and at the same time maintained herself a navy which was at least equal in size to the combined navies of the two next most powerful nations at sea. Moreover, by a series of bold naval actions and favourable treaties, she had already studded every sea route with a long line of impregnable outposts: Gibraltar, Malta, Suez, Aden, Singapore. Her coaling stations, situated along the coasts of every ocean allowed for the bunkering of ships of all nations, but could at any moment be closed to a hostile navy. This ingenious policy gave to England the double advantage of safeguarding her possessions against the covetousness of other States and of securing herself against every attempt on the part of the colonies to secede."

Delaisi, *Political Myths*, p. 249.

"The European economic development in the nineteenth century gave a new impulse to Imperialism. The ideas behind the seizure of African and Asiatic territory in the last two decades of the century were (1)—the desire to provide a new home for emigrants overseas, (2)—to create a new market for manufactures, (3)—to secure a valuable source of food and raw materials, (4)—to gain places for the lucrative investments of capital. An economic imperialism of this nature might have worked, or at least not have caused disaster under

one condition, and one condition only,—if there had been only one imperialistic power in Europe!" Fraser, *Foreign Trade*, p. 167.

"Since then Great Britain has waxed more and more powerful, her avowed policy being that her navy should be equal to any other two; realizing that her aloofness in point of national characteristics and policy from all other nations made it possible that a coalition of at least two great nations might be pitted against her at a time when she could not get an ally. Accompanying the growth of the British navy has been the establishment of British foreign trade, British colonies, and British bases from which the navy could work, and the general making of a network of British commerce and British power over the surface of the earth. No other nation has ever dominated so large a part of the surface of the globe as has Great Britain during the last two centuries; and she has done it by means of her naval power." Fiske, *The Navy as a Fighting Machine*, p. 122.

"Phoenician shipping carried on the trade of the world, and the Phoenician navy ruled the sea. The Phoenicians were believed by the ancients to have invented alphabetical writing and numerals, the arts of shipbuilding and navigation, the use of weights and measures and of money, and to have invented countless industrial arts. The Phoenicians were no doubt the Englishmen of antiquity."
Barker, *Great and Greater Britain*, p. 3.

"At the opening of the twentieth century Great Britain possessed an empire far more extensive and far more populous than any the world had ever seen, covering about thirteen millions of square miles, if Egypt and the Soudan were included, with a total population of over four hundred and twenty millions. This empire is scattered everywhere, in Asia, Africa, Australia, the two Americas, and the islands of the seven seas. The population includes a motley host of peoples. Only fifty-four million are English-speaking, and of these about forty-two million live in Great Britain. Most of the colonies are self-supporting. They illustrate every form of government, military, autocratic representative, democratic. The sea alone binds the empire."

We have already traced the history of Great Britain's foreign investments up to this point and it is now advisable to see what precise changes in the direction of capital movements were going on on the eve of the Great War, in order to see what, if any, influence they

may have had on the World War and the resulting economic crisis. British foreign investments were computed by Sir George Paish before the war to have reached the figure of £3,349 millions in 1910. From various sources it was possible at that time to estimate that this amount was distributed over the world in the following manner:—

In the American Continent	53%
In Asia	16%
In Africa	14%
In Australasia	12%
In Europe	5%

Price, *Economic Problems*, p. 53.

London, after Antwerp, the centre of a commercial web, needed North America. The ruling class in England and the United States both realized the value of the prize. Britain tried force.

"Five acts were passed to pacify Massachusetts. The first closed Boston as a port of entry; the second annuled the charter; the third provided for the trial in England of soldiers accused of violence toward citizens; the fourth regulated the quartering of troops upon the inhabitants, and the fifth extended the boundaries of Canada to the Ohio. Thus the colonies were isolated; Great Britain held the sea on the east and the valley of the St. Lawrence on the north, while to the west she extended the jurisdiction of an absolute viceroy over the whole region won from France. You see the strength of the position which England sought to win, and that the prize was worth a contest. Had she conquered the colonists who inhabited the belt between the ocean and the Ohio Valley, she would have held her base in Asia, she would have possessed an unrivaled industrial plant at home, and she would have opened a practically exhaustless vent for her manufactures and a storehouse of raw material in America. In the case of victory, she would not have had to fear the protective legislation, which has built up American competition. She would have regulated her exchanges with this continent to suit herself. So far as we can judge, something approaching an equilibrium might have been established, and under such conditions America might have remained an agricultural community, and Great Britain might have served as the universal market down to the present day. Viewed thus it is apparent that the stake for which England played in 1775 was little less than universal empire."

Adams, *War as the Ultimate Form of Economic Competition, (Proceedings of Naval Institute,* Vol. XXIX p. 857.)

Joseph Chamberlain's description of the British Empire; speech at Glasgow, Tuesday, October 6, 1903:

"I appeal to you as fellow-citizens of the greatest Empire that the world has ever known." (p. 32.)

"I say to you that all that is best in our present life, best in this Britain of ours, all of which we have the right to be most proud, is due to the fact that we are not only sons of Britain, but we are sons of Empire." (p. 34.)

"We are joint heirs to the greatest Empire the world has ever seen. What can we make of it? We, the white men, the British race, to whom it has fallen, to whom it belongs, with all its responsibilities by virtue of the sacrifices we have made." (pp. 103-4.)

Chamberlain, *Imperial Union.*

In its purpose of monopolizing the resources of colonies or regions under some form of external control, for the benefit of an imperialistic power, the Closed Door has succeeded notably in some instances. In Algeria four-fifths of the exports go to France; while about 90 per cent of the trade of Porto Rico is with the United States. America's share in the Philippine trade has increased from 13 per cent in 1894 to 61 per cent in 1921, while the share of the trade carried in American ships has increased from less than 4 per cent in 1909 to 32 per cent in 1919. The following table shows the gains of certain commodities in detail:

Commodity	Percentage of Imports from U. S. to Philippines	
	1899	1923
Iron and Steel	8.	80.
Cotton Goods	.51	58.78
Leather	2.32	90.28
Wheat Flour	17.47	80.24
Machinery	.15	89.
Fish and Products	3.	85.
Silk Manufactures	.19	42.18

These great increases cannot be explained on wholly natural grounds. They have been due largely to the exclusion of foreign traders by the tariff policy of the United States.

Buell, *International Relations,* p. 425.

Economic causes of the War of 1914.

Bakeless, *Economic Causes of Modern War,* Chap. IV, *The Economic Motives of the World War 1914-18,* pp. 141 ff.

"Economic competition between the great empires has been symbolized by tariff legislation. As the great rivals of the British Empire began manufacturing on a large scale, they put up tariff walls to protect the home market against foreign competition. The United States took the lead in raising tariffs, beginning with the period of the Civil War. The tariff Acts of 1890 and 1897 were violently protectional. Russia began a high tariff policy in 1877, Germany in 1879, France in 1881." Moon, *Imperialism*, p. 27.

Forces leading to modern wars; rise of modern business; the modern State; modern Empires; the struggle for colonies; the relation between economics and politics; the armament race are described in Delaisi, *Political Myths*, Chap. XIV, *Business Wars*.

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